CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

Improvements to the engineering series for the index of industrial production

Department of Industry survey of company liquidity: comparison with the financial accounts

Public sector debt

No 283
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Release dates of economic statistics to be published in June 1977

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in June. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

Publication date	Series	Method of release	Source
June 1977			
Wed 1	Investment intentions of the manufacturing, distributive and service industries (1977 and 1978)	PN	D of Industry
Thurs 2	Housing starts and completions (April)	PN	D of the Environment
	House renovation grants approved (April)	PN	D of the Environment
	UK official reserves (May)	PN	H M Treasury
	Capital issues and redemptions (during the month of May)	PN	Bank of England
	Public sector borrowing requirement and details of local authority borrowing (1st quarter)	PN	CSO
Wed 8	Retail sales (April-final)	PN	D of Trade
	Hire-purchase and other instalment credit business (April)	PN	D of Trade
Thurs 9	Provisional figures of vehicle production and estimates of new car registrations (May)	PN	D of Industry
	UK balance of payments (1st quarter)	PN	CSO/Treasury
Fri 10	Company liquidity survey (1st qtr)	T and I	D of Industry
	Usable steel production (May)	PN	BSC/BISPA
	London clearing banks' monthly statement (mid-May)	PN	CLCB
	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-May)	PN	Bank of England
	Building societies receipts and loans (May)	PN	BSA
Mon 13	Wholesale prices index numbers (May-provisional)	PN	D of Industry
	Construction-output (1st qtr)	PN	D of the Environment
Tues 14	Retail sales (May-provisional)	PN	D of Trade
	Central government financial transactions (including borrowing requirement) (May)	PN	HM Treasury
Thurs 16	UK banking sector statistics (1st qtr)	Bulletin	Bank of England
	Financing of the Central Government Borrowing Requirement (1st qtr)	Bulletin	Bank of England
	Money stock (1st qtr)	Bulletin	Bank of England
	Balance of payments current account and overseas trade figures (May)	PN	D of Trade/CSO
	UK banks' assets and liabilities and the money stock (mid-May)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-May)	PN	Bank of England
	Index of industrial production (April)	PN	CSO
Fri 17	Retail prices index (May)	PN	D of Employment
Mon 20	Basic rates of wages and normal weekly hours (May)	PN	D of Employment
	Monthly index of average earnings (April)	PN	D of Employment
Tues 21	Construction-new orders (April)	PN	D of the Environment
	Unemployment (June-provisional)	PN	D of Employment
	Unfilled vacancies (June-provisional)	PN	D of Employment
Wed 22	New vehicle registrations (May)	PN	D of Transport
	Gross domestic product (1st qtr-provisional)	PN	CSO
Thurs 23	Finished steel consumption and stock changes (1st qtr-final)	PN	D of Industry
	Car and commercial vehicle production (May-final)	PN	D of Industry
Fri 24	Sales and orders in the engineering industries (March)	T and I	D of Industry
Sun 26	National Savings monthly progress report (May)	PN	National Savings Ctte
Mon 27	National Food Survey report on consumption (1st qtr)	PN	MAFF
	Quarterly analysis of bank advances (mid-May)	PN	Bank of England
	Bricks and cement production (May)	PN	D of the Environment
Thurs 30	Capital expenditure by the manufacturing distributive and service industries (1st qtr-revised)	PN	D of Industry
	Manufacturers' and distributors' stocks (1st qtr—revised)	PN	D of Industry
	Energy Trends	PN	D of Energy
	Unemployment (May-final)	Gazette	D of Employment
	Employment in production industries (April)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (April)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (May)	Gazette	D of Employment

PN=*Press Notice* T and I=*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

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Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned.

The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-233 8246

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Introduction

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of current economic events. It is important to note that data included in this section may not be wholly consistent with other series shown in the publication which have gone to press earlier.
- The main section shows the movement of the key economic indicators over about the last 5 years. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base date for convenience of comparison.
- A further chart shows the movements of 4 composite indices over 19 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on national accounts appear in the January, April, July and October issues and on balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. The regular 'Round-up' feature contains notes on relevant articles appearing in other government publications, news of developments in economic statistics and brief synopses of any new publications.

Notes on tables

1. This issue contains information available to the CSO on 18 May in respect of the main tables and charts. The 'Latest developments' section may contain later information.

2. Statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

Symbols used:

..	not available or not meaningful
–	nil or less than half the final digit shown
§	series for which measures of variability are given on page 76
†	indicates that the series has been revised since last issue; the period marked is the earliest in the table to have been revised

Contents

	Page
Introduction	1
Latest developments in the economy	3
Tables and charts	
Gross domestic product at factor cost and national disposable income revalued at 1970 market prices	6
Expenditure on the gross domestic product	8
Personal disposable income and consumption	10
Real consumers' expenditure—component categories	10
Retail sales, new registrations of cars and hire purchase debt	12
Shares of income and expenditure	14
Estimates, *per capita*, income, product and spending	14
Gross domestic fixed capital formation by sector and by type of asset	16
Indicators of fixed investment by manufacturing industry	18
Department of Industry inquiry into investment intentions: manufacturing industry	18
Indicators of fixed investment in dwellings	20
Stock changes	22
Stock ratios	22
Inland energy consumption	24
Index of industrial production	26
Index numbers of output	28
Engineering and construction: output and orders	30
Motor vehicle production and steel production and consumption	32
Output per person employed	34
National employment and unemployment	36
Regional unemployment rates	38
Wage rates and earnings	40
Prices	42
Visible trade	44
Balance of payments: current account	46
Analysis of total currency flow and official financing	48
Money stock	50
Domestic credit expansion and money stock	52
General government receipts and expenditure	54
Financial transactions of the public sector	54
Sector financial accounts	56
Appropriation account of industrial and commercial companies	58
Sources and uses of capital funds of industrial and commercial companies	60
Selected liquid assets of industrial and commercial companies	60
Bank lending to UK residents	62
Banks' reserve ratio	62
Interest rates, security prices and yields	64
Cyclical indicators for the UK economy	66
Measures of variability of selected economic series	76
Articles	
Improvements to the engineering series for the index of production — Department of Industry	78
Department of Industry survey of company liquidity: comparison with the financial accounts — Department of Industry	87
Public sector debt — Central Statistical Office	100
Round-up: What's new in economic statistics	110
Index of Sources	
Other	
Release dates of economic statistics to be published in June	*inside front cover*
Articles published in recent *Economic Trends*	*inside back cover*

Latest developments in the economy

Data available at 24 May 1977

Output

Industrial production in March continued to show signs of improvement and the index of industrial production in the first quarter of 1977 was on average almost 1 per cent higher than in the last quarter of 1976. The preliminary estimate of gross domestic product indicates a rise of about ½ per cent over the period. The increased level of industrial output was partly offset by a lower level of activity in the distributive trades. In April, steel production was continuing to fall, being some 18 per cent lower than in April 1976 (production in the 3 months ending April was 12 per cent lower than in the previous 3 months). The continuing industrial dispute at Port Talbot and recession in the demand for certain steel products contributed to the decline. There was a marked recovery in car production in April (when the incidence of industrial disputes was much reduced), being some 14 per cent higher than the monthly average for 1976.

The latest Industrial Trends Survey conducted by the Confederation of British Industry in April indicates little change in confidence about the general business situation from that in January. There are signs that the fall in below-capacity working received a check in April when 66 per cent of respondents reported working below a satisfactory 'full rate of operation. Although domestic orders and deliveries are depressed there continues to be optimism about the trend in export orders and deliveries.

Housebuilding

During the first quarter of 1977, housing starts in Great Britain were 5 per cent less than in the last quarter of 1976 and 36 per cent less than in the first quarter of 1976. Total completions were down 6 per cent on the preceding quarter and 11 per cent lower than a year ago.

Consumers' expenditure

Latest estimates suggest that consumers' expenditure fell by about 2½ per cent between the fourth quarter of 1976 and the first quarter of 1977. There was a substantial fall in expenditure on alcoholic drink from the high fourth quarter level. together with falls in all areas of retail sales except clothing and footwear. Expenditure on fuel and light, motor vehicles and on catering showed little change. The early estimate of retail sales in April was rather higher than the March level but below that of January and February. The volume of trade has been low since the beginning of 1977 and in the three months February to April was 4 per cent lower than in the previous three months. New car registrations in April at 108,000 were higher than in March and in the three months ending April were 2 per cent higher than in the previous three months.

Investment intentions

The latest CBI survey again indicates that the volume of manufacturing investment is likely to increase during the next twelve months with a stronger emphasis on plant and machinery than on buildings. Investment in the twelve months ending September 1978 could be around 20 per cent higher than in the preceding twelve months. 14 per cent of respondents reported shortage of internal finance as being a limiting factor to investment.

Unemployment and vacancies

The number of unemployed in the United Kingdom (excluding school-leavers) fell by 7,000 in May to 1,316,000 (5·5 per cent of all employees). Since January there has been a decrease on average of about 5,000 a month.

The number of vacancies notified to employment offices rose by 3,000 in May to 160,000. Since February, there has been an increase on average of 4,000 a month.

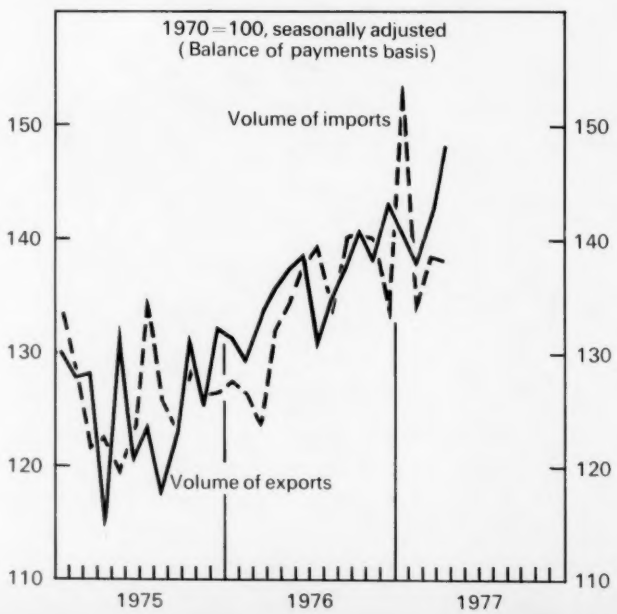
Earnings and wage rates

The index of average earnings rose by 1·9 per cent in April. It was 11·6 per cent higher than in April 1976. The index of basic weekly wage rates (not seasonally adjusted) rose by 0·3 per cent in April and was 7·5 per cent higher than a year earlier.

Prices (not seasonally adjusted)

The index of retail prices for all items for April was 180·3 (January 1974=100). This represents an increase of 2·6 per cent on March 1977 and 17·5 per cent on April 1976.

Wholesale price index numbers for April suggest that the prices of home sales of manufactured products increased by 1¾ per cent in April. The increased duty on cigarettes announced in the March Budget was responsible for ½ per cent. The rate of inflation measured over a twelve month period was 20½ per cent and was only marginally higher than that in March. The prices of materials and fuel purchased by manufacturing industry rose by ½ per cent. Although higher tariffs for gas and electricity were introduced on April 1st and prices of most foodstuffs increased, the stabilisation of the sterling exchange rate has caused the prices of most other commodities to drift up only very slowly.



Trade and balance of payments

In the three months ending April, the visible trade deficit was £534 million compared with £1,198 million in the previous three months. The reduction in the deficit owed much to the improvement of £426 million in the balance of trade in oil. Total exports rose by 1½ per cent in volume while the volume of imports fell by 4 per cent; the terms of trade index rose by ½ per cent between the three-monthly periods.

In April, the current account was estimated to have been in surplus by £111 million with a deficit on trade in goods of £109 million being more than offset by an invisible balance of about £220 million.

Money stock

The money stock increased sharply during the five weeks ending 20 April. The sterling component of the broader version of money stock (M_3) rose by about 2½ per cent making a net rise of 1½ per cent during the latest three months. The narrow version of the money stock (M_1) rose by 3½ per cent during the five weeks, over half the rise being in interest bearing sight deposits. During the twelve months ended mid-April, sterling M_3 has risen by about 7½ per cent. During the latest five-week period there was a renewed expansion of domestic credit amounting to some £800 million reflecting the combination of a larger central government borrowing requirement and some recovery in bank lending to the private sector.

Economic events

April

26 Speaking in Washington, the Chancellor expressed his hopes that the forthcoming London Summit would ensure that world economic recovery was on course.

The annual 'brown book' – *Development of the oil and gas resources of the UK 1977* – was published. The Government expects to receive £5·5 billion in tax and royalties from North Sea oil over the next three years. Production this year should reach 40-45 billion tons, about half Britain's total need.

28 The Price Commission's quarterly report said that inflation showed no signs of slowing down until well into the summer.

The second reading debate on the Finance Bill was held. The Liberals said they would vote against the Government on the 5½ pence per gallon tax increase on petrol.

Two by-elections took place, at Ashfield, where the Labour Party lost one of its safest seats, and at Grimsby, where they retained a majority.

29 The Bank of England cut minimum lending rate by ¼ per cent to 8¼ per cent.

30 The oil 'blow-out' on the Ekofisk field was stopped by a team of Texan oil-men led by 'Red' Adair.

May

2 Two TUC leaders, Mr Murray and Mr Scanlon, made appeals in support of the social contract, while expressing the need for phase 3 to be more flexible.

The clearing banks cut base lending rates by ½ per cent to 8½ per cent.

3 The quarterly CBI Industrial Trends Survey said that manufacturing industry was now stronger but was still some way from full recovery. There were good prospects for investment.

The National Enterprise Board published its first annual report.

4 The AUEW National Committee rejected a third phase of incomes policy and demanded an immediate return to free collective bargaining.

Every telephone subscriber is to receive a refund of £7 in the autumn, because of excessive profits made by the Post Office.

After results showing record savings in Building Societies during April, an early decision on a further cut in mortgage interest rates was expected.

5 The 5½p per gallon petrol tax increase imposed in the Budget is to be withdrawn from 5 August because of the Liberal threat to vote against it.

The Prime Minister said he would urge priority for discussions on inflation and unemployment at the London Summit.

7-8 The Summit meeting of heads of seven countries (US, France, Germany, Italy, Canada, UK and Japan) was held in Downing Street. Mr Roy Jenkins, President of the EEC Commission, also attended some of the discussions. A seven-point pledge was issued after the summit, and machinery was to be set up to ensure that commitments were carried through.

9 Mr Hugh Scanlon, AUEW, said that talks on the next stage of pay policy must continue between the unions and the Government, in spite of his union's decision to reject any such policy.

10 On the Stock Exchange the FT-share index reached a four-year peak, at 467·8.

11 Mr Peter Jay, at present economics editor of *The Times*, is to be Britain's next ambassador to the United States.

The CBI is to put forward a plan for a new national forum for discussion of economic policy.

12 The Bank of England renewed the 'corset' of banking controls for a further six months. These impose a limit of 3 per cent in the growth of the banks' interest-bearing liabilities.

The Select Committee on Nationalised Industries, an all-party committee of the House of Commons, published a report on British Rail.

13 The trade figures showed a current account surplus of £111 million in April, the best monthly figures since October 1971.

Minimum lending rate fell by ¼ per cent to 8 per cent, the lowest level since the summer of 1973. Many US banks increased their prime rates by ¼ per cent to 6½ per cent.

16 The variable interest rate Government bond, which will have a rate of interest linked to the yield on Treasury Bills, will be launched with a £400 million issue on 27 May.

Mr Tom Jackson, of the Union of Post Office Workers, appealed to his union to vote for a third year of wage restraint.

17 Speaking at the CBI annual dinner, the Chancellor stressed the responsibility that private sector employers must bear to ensure that a more flexible pay policy was not abused. Industrial expansion must take advantage of the economic opportunities afforded by North Sea oil, he said.

18 The Prime Minister warned of the danger of a 'fig-leaf' pay policy which would disguise the true levels of real incomes.

19 The *Daily Mail* claimed to have discovered a 'slush-fund' – a system of bribery used by British Leyland to win overseas orders – when they published a letter purported to be written by Lord Ryder, the chairman of the National Enterprise Board. This letter was later proved to be a forgery.

A Government green paper on local government finance, based on the recommendations of the Layfield report, was published.

20 The retail prices index went up by 2·6 per cent in April, an annual rate of 17·5 per cent.

23 An IMF team began a visit to London, during which Britain's economic progress would be studied, under Section VIII of the IMF articles.

Selected monthly indicators[1]

	Seasonally adjusted						Unadjusted		Seasonally adjusted			
	1971 =100	Thousands	1970 =100	Thousands		Jan. 1970 =100	1970 =100	Jan. 1974 =100	£ million			
	Volume of retail sales (GB)[2,3] §	New registrations of cars (GB) §	Index of industrial production[4] §	Unemployment[5] §	Vacancies[6] §	Average earnings (all employees) (GB) §	Wholesale prices of materials and fuel[7]	General index of retail prices (all items)	Balance of payments current account: Exports (f.o.b.) §	Balance of payments current account: Imports (f.o.b.) §	Balance of payments current account: Current balance	Money stock sterling M_3
1975 J	105·4	93·8	100·0	963·4	134·7	230·9	233·2	138·5	1,615	1,987		35,500
A	105·1	97·4	98·6	997·1	134·8	233·9	241·4	139·3	1,559	1,948	−566	36,030
S	105·6	117·9	100·5	1,034·1	128·8	237·1	243·2	140·5	1,634	1,840		36,080
O	105·2	88·5	100·6	1,090·8	117·5	239·3	252·2	142·5	1,782	1,982		36,410
N	104·9	86·0	100·9	1,131·9	111·7	241·1	256·7	144·2	1,706	1,937	−230	36,240
D	106·6	92·1	99·8	1,170·7	111·4	248·1	259·5	146·0	1,828	2,023		36,110
1976 J	110·2	105·3	101·1	1,203·5	112·6	248·3	261·5	147·9	1,837	2,050		36,420
F	106·6	101·0	102·5†	1,225·8	115·7	250·0	263·9	149·8	1,832	2,061	− 80	36,970
M	105·4	101·9	101·9	1,231·6	121·8	254·4	274·2	150·6	1,942	2,038		36,980
A	108·8	116·4	102·4	1,241·8	122·5	255·0	286·3	153·5	2,003	2,254		37,410
M	106·8	109·7	104·5	1,253·3	120·0	259·6	292·0	155·2	2,068	2,414	−439	37,680
J	107·3	91·0	100·5	1,261·1	115·7	261·2	299·6	156·0	2,138	2,460		37,810
J	108·8	90·6	101·4	1,288·9	118·6	263·1	302·0	156·3	2,028	2,532		38,430
A	108·9	115·0	100·6	1,308·8	126·2	267·2	304·0	158·5	2,152	2,435	−536	39,040
S	108·9	86·5	102·4	1,318·7	125·9	266·1	314·4	160·6	2,220	2,581		39,760
O	108·1	108·8	102·8	1,307·9	124·5	269·0	327·7	163·5	2,306	2,624		40,110
N	109·2	119·2	103·4	.. [8]	.. [8]	272·2	331·8	165·8	2,320	2,775	−368	40,390
D	108·3	110·5	103·3	1,325·7[9]	.. [8]	277·1	330·2	168·0	2,448	2,662		40,240
1977 J	106·7	92·6	104·3	1,338·2	.. [8]	278·1	337·8†	172·4	2,471†	3,001†	−309†	39,600
F	105·7	117·6	104·0	1,331·4	150·5	278·7†	339·5	174·1	2,432	2,618	+ 34	39,200†
M	103·1†	102·1	104·3	1,321·1	157·3	283·9[10]	347·2[10]	175·8	2,489	2,728	− 19	39,270
A	104·0[10]	107·5		1,322·6	158·5		348·1[10]	180·3	2,627	2,736	+ 11	40,200
M				1,315·9[10]	161·2[10]							
J												
	Percentage change, latest three months on previous three months											
1976 N	*+0·4*	*+ 6·0*	*+2·0†*	..	..	*+ 2·0*	*+ 7·5*	*+ 4·1*	*+ 8·4*	*+ 7·5*	..	*+ 4·3*
D	*−0·4*	*+15·9*	*+1·7*	..	..	*+ 2·8*	*+ 7·5*	*+ 4·6*	*+10·5*	*+ 6·8*	..	*+ 3·0*
1977 J	*−0·5*	*+ 3·9*	*+1·7*	..	..	*+ 3·1*	*+ 5·7*	*+ 4·9*	*+ 8·4*	*+10·5*	..	*+ 1·1*
F	*−1·6*	*+ 2·0*	*+1·0*	..	..	*+ 3·3*	*+ 3·4†*	*+ 5·0*	*+ 7·4*	*+ 3·8†*	..	*− 1·0†*
M	*−3·2†*	*− 7·7*	*+1·0*	..	..	*+ 2·7*	*+ 3·5[10]*	*+ 5·0*	*+ 4·5†*	*+ 3·6*	..	*− 2·2*
A	*−3·6[10]*	*+ 1·5*					*+ 3·6[10]*	*+ 4·7*	*+ 4·3*	*− 4·2*	..	*− 1·3*
M				*− 0·9[10]*	..							
	Percentage change, latest three months on corresponding period of previous year											
1976 N	*+3·3*	*+ 7·6*	*+2·2†*	..	..	*+12·5*	*+29·5*	*+14·7*	*+33·7*	*+38·6*	..	*+10·6*
D	*+2·7*	*+27·0*	*+2·7*	..	..	*+12·3*	*+28·8*	*+14·9*	*+33·1*	*+35·7*	..	*+11·0*
1977 J	*+0·8*	*+13·7*	*+3·1*	..	..	*+12·2*	*+28·5†*	*+15·5*	*+34·8*	*+40·4†*	..	*+10·5*
F	*−0·6*	*+ 7·5*	*+2·7*	*+11·0*	..	*+11·7*	*+28·4*	*+16·0*	*+33·7†*	*+35·0*	..	*+ 8·7†*
M	*−2·1†*	*+ 1·3*	*+2·3*	*+ 9·0*	..	*+11·7*	*+28·1[10]*	*+16·5*	*+31·7*	*+35·8*	..	*+ 7·0*
A	*−2·4[10]*	*+ 2·5*		*+ 7·5*	*+29·5*		*+25·6[10]*	*+16·8*	*+30·7*	*+27·2*	..	*+ 6·6*
M				*+ 6·3[10]*	*+30·9[10]*							

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] See footnote [2] on page 12.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] Vacancies notified to employment offices.
[7] Purchased by manufacturing industry.
[8] Figure not available due to industrial action.
[9] Owing to industrial action by some Department of Employment staff the provisional estimate is based on returns or estimates received from only just over half the country.
[10] Provisional.

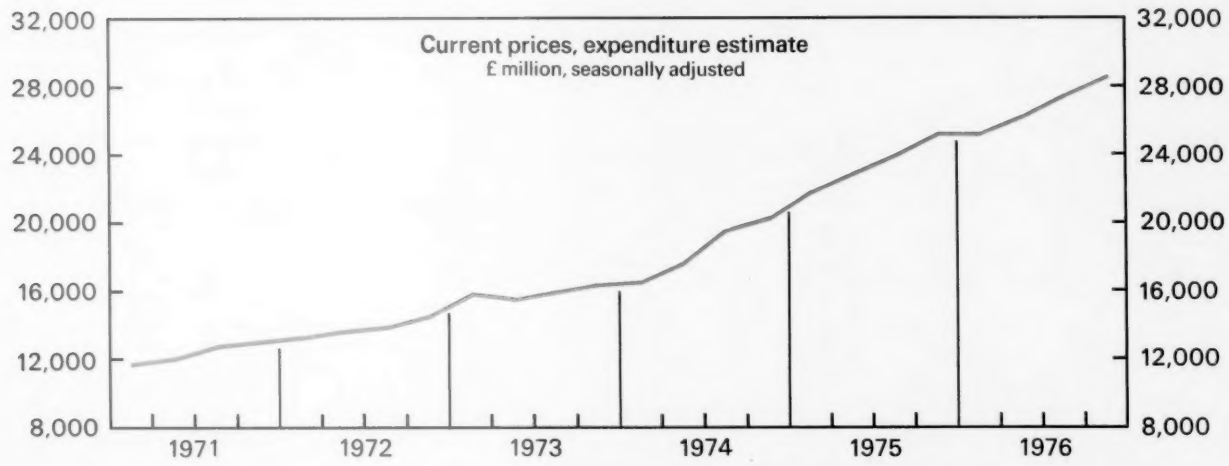
Tables and charts

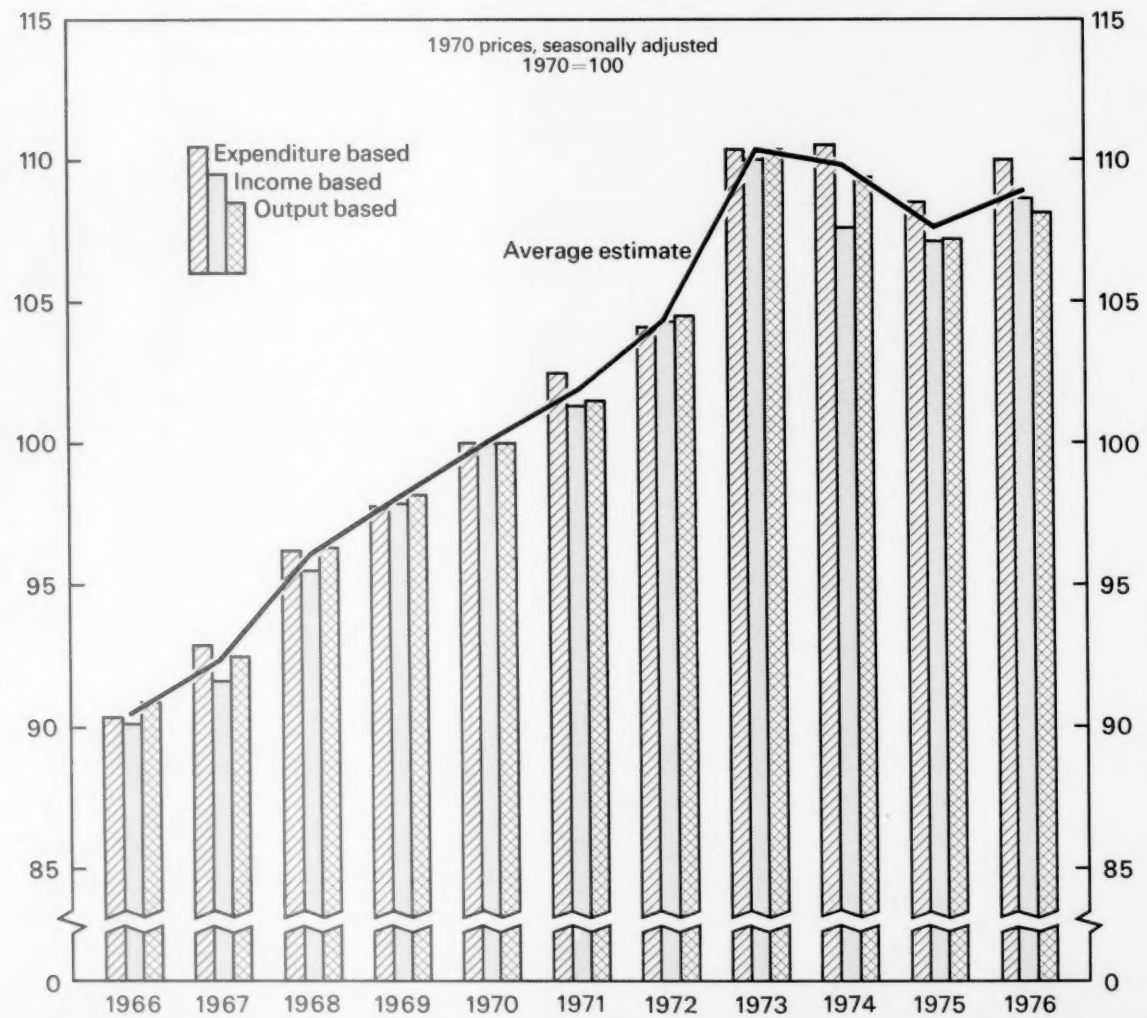
Gross domestic product at factor cost[1] and national disposable income revalued at 1970 market prices[2]

Seasonally adjusted

	Gross domestic product at factor cost									National disposable income
	At current prices				At 1970 factor cost					At 1970 market prices
	£ million		1970=100		£ million	1970=100				1970=100
	Based on:		Based on:		Based on:	Based on:				
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[3] §	output data §	Average estimate §	Average estimate
1966	33,105	32,969	76·1	75·6	39,297	90·4	90·1	90·9	90·5	90·2
1967	34,925	34,584	80·3	79·4	40,347	92·9	91·7	92·5	92·4	92·0
1968	37,457	37,243	86·1	85·5	41,835	96·2	95·5	96·3	96·0	94·9
1969	39,483	39,598	90·8	90·9	42,541	97·8	97·9	98·2	98·0	97·3
1970	43,489	43,580	100·0	100·0	43,489	100·0	100·0	100·0	100·0	100·0
1971	49,174	48,690	113·1	111·7	44,588	102·5	101·3	101·5	101·8	102·2
1972	55,039	55,270	126·6	126·8	45,282	104·1	104·3	104·5	104·3	105·3
1973	63,439	63,375	145·9	145·4	47,997	110·4	110·0	110·4	110·3	110·1
1974	73,521	73,038	169·1	167·6	48,062	110·5	109·6	109·4	109·8	104·9
1975	93,120	92,150	214·1	211·5	47,186	108·5	107·1	107·2	107·6	104·7
1976	107 767	106,568	247·8	244·5	47,850	110·0	108·6	108·1	108·9	106·2
1971 *1*	11,578	11,480	106·5	105·4	10,890	100·2	99·1	100·2	99·8	100·8
2	12,013	11,953	110·5	109·7	11,061	101·7	101·0	101·5	101·4	
3	12,662	12,485	116·5	114·6	11,310	104·0	102·3	102·0	102·8	103·6
4	12,921	12,772	118·8	117·2	11,327	104·2	102·8	102·5	103·2	
1972 *1*	13,218	12,810	121·6	117·6	11,145	102·5	99·2	101·2	101·0	104·3
2	13,531	13,661	124.5	125.4	11,324	104·2	105·0	104·6	104·6	
3	13,813	14,115	127·0	129·6	11,256	103·5	105·6	105·1	104·7	106·4
4	14,477	14.684	133·2	134·8	11,557	106·3	107·6	106·9	106·9	
1973 *1*	15,785	15,227	145·2	139·8	12,209	112·3	108·1	110·5	110·3	110·7
2	15,393	15,680	141·6	143·9	11,949	109·9	111·7	109·7	110·4	
3	15,875	16,039	146·0	147·2	11,932	109·7	110·7	110·7	110·4	109·5
4	16,386	16,429	150·7	150·8	11,907	109·5	109·6	110·7	109·9	
1974 *1*	16,512	15,810	151·9	145·1	11,684	107·5	102·8	107·5	105·9	103·2
2	17,530	17,372	161·2	159·4	12,084	111·1	110·1	110·0	110·4	
3	19,362	19,385	178·1	177·9	12,227	112·5	112·5	110·9	112·0	106·5
4	20,117	20.471	185·0	187·9	12,067	111·0	112·8	109·2	111·0	
1975 *1*	21,644	21,279	199·1	195·3	12,012	110·5	108·4	109·4	109·4	104·8
2	22,722	22,431	209·0	205·9	11,763	108·2	106·6	106·9	107·2	
3	23,662	23,666	217·6	217·2	11,607	106·8	106·6	106·2	106·5	104·5
4	25,092	24,774	230·8	227·4	11,804	108·6	107·0	106·5	107·4	
1976 *1*	25,903	25,386	238·2	233·0	12,069	111·0	108·6	108·1	109·2	106·2
2	26,152	26,332	240·5	241·7	11,782	108·4	108·9	107·7	108·3	
3	27,257	27,041	250·7	248·2	11,880	109·3	108·2	107·6	108·4	106·2
4	28,455	27,809	261·7	255·2	12,119	111·5	108·7	109·0	109·7	
	Percentage change, period on corresponding period of previous year									
1975 *1*	*+31·1*	*+34·6*	*+31·1*	*+34·6*	*+2·8*	*+2·8*	*+5·4*	*+1·7*	*+3·3*	*+1·6*
2	*+29·6*	*+29·1*	*+29·6*	*+29·1*	*−2·7*	*−2·6*	*−3·2*	*−2·8*	*−2·9*	
3	*+22·2*	*+22·1*	*+22·2*	*+22·1*	*−5·1*	*−5·1*	*−5·3*	*−4·2*	*−4·9*	*−1·9*
4	*+24·7*	*+21·0*	*+24·7*	*+21·0*	*−2·2*	*−2·2*	*−5·2*	*−2·5*	*−3·2*	
1976 *1*	*+19·7*	*+19·3*	*+19·7*	*+19·3*	*+0·5*	*+0·5*	*+0·2*	*−1·2*	*−0·2*	*+1·3*
2	*+15·1*	*+17·4*	*+15·1*	*+17·4*	*+0·2*	*+0·2*	*+2·2*	*+0·8*	*+1·0*	
3	*+15·2*	*+14·3*	*+15·2*	*+14·3*	*+2·4*	*+2·3*	*+1·5*	*+1·3*	*+1·8*	*+1·6*
4	*+13·4*	*+12·3*	*+13·4*	*+12·3*	*+2·7*	*+2·7*	*+1·6*	*+2·3*	*+2·1*	

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Introduced in an article on page xxviii *Economic Trends* January 1975.
[3] Income data deflated by the price index implied by estimates based on expenditure data.


Current prices, expenditure estimate
£ million, seasonally adjusted
32,000
28,000
24,000
20,000
16,000
12,000
8,000
1971
1972
1973
1974
1975
1976


1970 prices, seasonally adjusted
1970=100
Expenditure based
Income based
Output based
Average estimate
115
110
105
100
95
90
85
0
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1970 prices

	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices							
		Total	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§	Exports of goods and services§	Imports of goods and services§	Adjustment to factor cost
1965	38,531	53,973	28,705	8,357	7,900	616	8,395	8,644	6,798
1966	39,297	55,088	29,255	8,595	8,097	420	8,721	8,873	6,918
1967	40,347	56,964	29,876	9,075	8,780	368	8,865	9,502	7,115
1968	41,835	59,330	30,627	9,103	9,182	504	9,914	10,217	7,278
1969	42,541	60,352	30,826	8,960	9,216	468	10,882	10,559	7,252
1970	43,489	62,123	31,644	9,095	9,453	442	11,489	11,101	7,533
1971	44,588	64,035	32,505†	9,344	9,682	99	12,313	11,630	7,817
1972	45,282	66,684	34,440	9,725	9,862	39	12,618	12,986	8,416
1973	47,997	71,625	36,003	10,123	10,283	1,127	14,089	14,657	8,971
1974	48,062	71,798	35,590	10,328	10,124	602	15,154	14,855	8,881
1975	47,186	69,893	35,234	10,797	9,991	−680	14,551	13,896	8,811
1976	47,850	71,496	35,290	11,101	9,562	− 8	15,551	14,589	9,057
1971 *3*	11,310	16,169	8,203†	2,347	2,433	11	3,152	2,874	1,985
4	11,327	16,302	8,300	2,364	2,443	39	3,133	2,945	2,030
1972 *1*	11,145	16,321	8,406	2,410	2,434	− 15	3,086	3,123	2,053
2	11,324	16,692	8,574	2,418	2,468	24	3,208	3,244	2,124
3	11,256	16,445	8,672	2,426	2,453	8	2,886	3,115	2,074
4	11,557	17,226	8,788	2,471	2,507	22	3,438	3,504	2,165
1973 *1*	12,209	17,998	9,083	2,500	2,616	418	3,381	3,544	2,245
2	11,949	17,754	8,895	2,521	2,517	336	3,485	3,587	2,218
3	11,932	17,896	9,035	2,536	2,562	176	3,587	3,714	2,250
4	11,907	17,977	8,990	2,566	2,588	197	3,636	3,812	2,258
1974 *1*	11,684	17,638	8,854	2,606	2,603	−105	3,680	3,684	2,270
2	12,084	17,997	8,813	2,547	2,447	321	3,869	3,783	2,130
3	12,227	18,190	8,952	2,564	2,484	330	3,860	3,740	2,223
4	12,067	17,973	8,971	2,611	2,590	56	3,745	3,648	2,258
1975 *1*	12,012	17,781	8,988	2,649	2,534	−125	3,735	3,509	2,260
2	11,763	17,306	8,833	2,676	2,474	−267	3,590	3,374	2,169
3	11,607	17,310	8,724	2,722	2,540[1]	−208	3,532	3,522[1]	2,181
4	11,804	17,496	8,689	2,750	2,443	− 80	3,694	3,491	2,201
1976 *1*	12,069	17,782	8,811	2,747	2,460	25	3,739	3,462	2,251
2	11,782	17,666	8,730	2,774	2,394[2]	− 97	3,865	3,658[2]	2,226
3	11,880	17,870	8,824	2,781	2,392[3]	− 22	3,895	3,734[3]	2,256
4	12,119	18,178	8,925	2,799	2,316	86	4,052	3,735	2,324
1977 *1*			(8,740)[4]				(4,053)[4]	(3,809)[4]	
2									

Percentage change, quarter on corresponding quarter of previous year

1975 *3*	*−5·1*	*−4·8*	*−2·5*	*+6·2*	*+2·3*	..	*−8·5*	*− 5·8*	*−1·9*
4	*−2·2*	*−2·7*	*−3·1*	*+5·3*	*−5·7*	..	*−1·4*	*− 4.3*	*−2·5*
1976 *1*	*+0·5*	*+0·0*	*−2·0*	*+3·7*	*−2·9*	..	*+0·1*	*− 1·3*	*−0·4*
2	*+0·2*	*+2·1*	*−1·2*	*+3·7*	*−3·2*	..	*+7·7*	*+ 8·4*	*+2·6*
3	*+2·4*	*+3·2*	*+1·1*	*+2·2*	*−5·8*	..	*+10·3*	*+ 6·0*	*+3·4*
4	*+2·7*	*+3·9*	*+2·7*	*+1·8*	*−5·2*	..	*+ 9·7*	*+ 7·0*	*+5·6*
1977 *1*			*(−0·8)*[4]				*(+8·4)*[4]	*(+10·0)*[4]	
2									

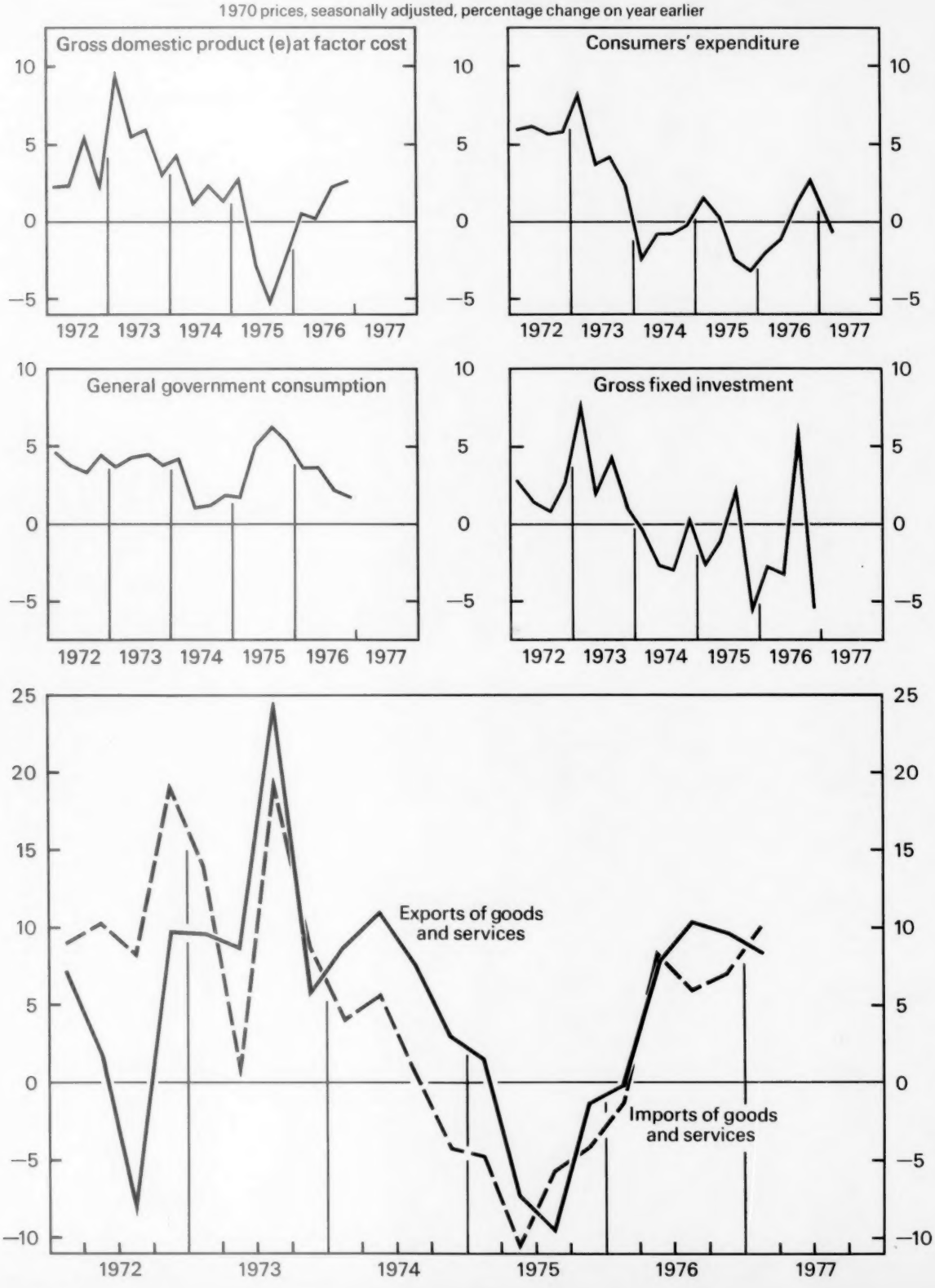
[1] Including approximately £100 million extra capital formation in imported oil platforms and related equipment delivered during the summer but not adjusted for seasonality.

[2] Including approximately £60 million extra capital formation in imported oil platforms and related equipment delivered during this quarter but not adjusted for seasonality.

[3] Including approximately £50 million extra capital formation in imported oil platforms and related equipment delivered during this quarter but not adjusted for seasonality.

[4] The figures in brackets are preliminary estimates, being based on incomplete data. At this stage, estimates of the latest quarterly changes in consumers' expenditure are expected to differ on average by about £30 million from the quarterly estimates subsequently published in the National Income and Expenditure article.

1970 prices, seasonally adjusted, percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1970 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal savings ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1970=100	£ million
1966	32,190	20,389	26,655	24,211	9·2	32,208	92·6	29,255
1967	33,840	21,173	27,798	25,428	8·5	32,661	93·9	29,876
1968	36,463	22,566	29,701	27,338	8·0	33,274	95·7	30,627
1969	39,113	24,188	31,663	29,102	8·1	33,539	96·5	30,826
1970	43,323	26,994	34,766	31,644	9·0	34,766	100·0	31,644
1971	47,744	29,691	38,454	35,165†	8·3	35,545	102·2	32,505
1972	54,238	33,163	44,239	39,785	10·1	38,296	110·2	34,440
1973	62,693	38,079	50,873	45,072	11·4	40,634	116·9	36,003
1974	75,913	45,900	60,363	51,811	14·2	41,465	119·3	35,590
1975	96,342	59,292	74,305	63,333	14·8	41,338	118·9	35,234
1976	111,293	66,830	85,218	73,128	14·2	41,124	118·3	35,290
1972 *3*	13,632	8,402	11,174	10,125	9·4	9,572	110·1	8,672
4	14,310	8,734	11,714	10,451	10·8	9,851	113·3	8,788
1973 *1*	14,847	8,963	12,012	10,994	8·5	9,927	114·2	9,083
2	15,577	9,461	12,654	10,971	13·3	10,262	118·1	8,895
3	15,862	9,702	12,898	11,400	11·6	10,225	117·6	9,035
4	16,405	9,953	13,306	11,707	12·0	10,220	117·6	8,990
1974 *1*	17,157	10,192	13,818	12,015	13·0	10,190	117·3	8,854
2	18,028	10,924	14,419	12,606	12·6	10,088	116·1	8,813
3	19,639	11,872	15,555	13,294	14·5	10,482	120·6	8,952
4	21,089	12,912	16,571	13,896	16·1	10,705	123·2	8,971
1975 *1*	22,378	13,963	17,437	14,673	15·9	10,678	122·9	8,988
2	23,453	14,460	18,110	15,583	14·0	10,262	118·1	8,833
3	24,901	15,287	19,191	16,298	15·1	10,269	118·2	8,724
4	25,610	15,582	19,567	16,779	14·2	10,129	116·5	8,689
1976 *1*	26,691	16,000†	20,502	17,450	14·9	10,347	119·0	8,811
2	27,567	16,668	20,834	17,746	14·8	10,245	117·9	8,730
3	28,225	17,020	21,918	18,521	15·5	10,438	120·1	8,824
4	28,810	17,142	21,964	19,411	11·6	10,094	116·1	8,925
1977 *1*								(8,740)[5]
2								

[1] Before providing for depreciation and stock appreciation. [2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1970=100).
[5] Preliminary estimate. See footnote [4] to the table on page 8.

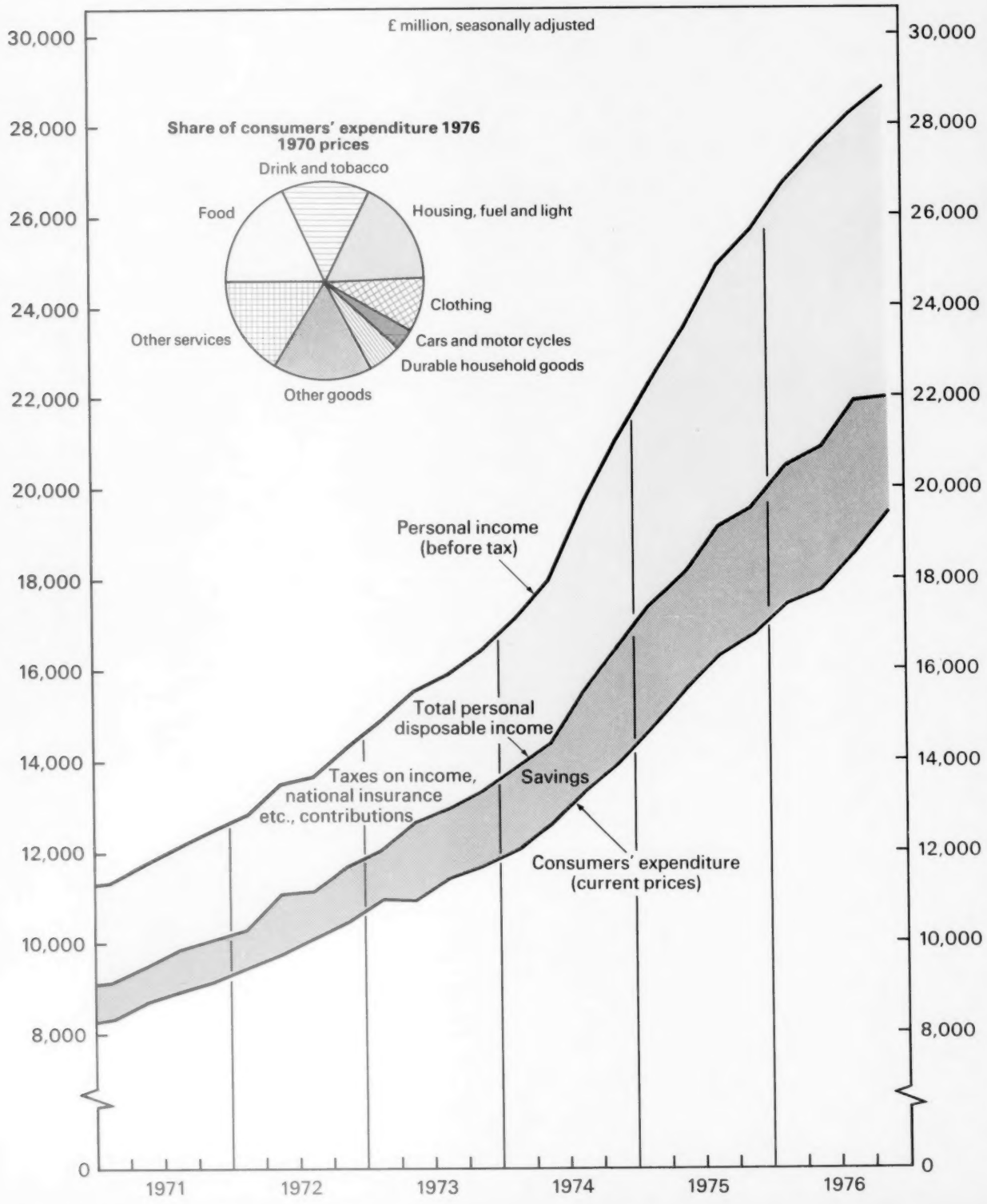
Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1970 prices

	Total §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1966	29,255	6,187	3,664	3,625	1,387	2,425	1,273	833	4,230	5,631
1967	29,876	6,239	3,752	3,763	1,393	2,464	1,327	916	4,435	5,587
1968	30,627	6,277	3,851	3,899	1,432	2,599	1,421	975	4,642	5,531
1969	30,826	6,273	3,873	4,028	1,485	2,643	1,374	870	4,694	5,586
1970	31,644	6,375	4,019	4,101	1,495	2,757	1,438	997	4,782	5,680
1971	32,505	6,374	4,112	4,205	1,480	2,806	1,567	1,329	4,927	5,705
1972	34,440	6,326	4,389	4,307	1,534	2,975	1,864	1,580	5,405	6,060
1973	36,003	6,397	4,848	4,431	1,574	3,129	2,062	1,523	5,813	6,226
1974	35,590	6,403	4,920	4,466	1,616	3,104	1,932	1,100	5,893	6,156
1975	35,234	6,437	4,839	4,486	1,596	3,161	1,864	1,092	5,732	6,027
1976	35,290	6,477	4,932	4,495	1,601	3,214	1,926	1,236	5,712	5,697
1975 *3*	8,724	1,620	1,195	1,119	383	789	424	308	1,412	1,474
4	8,689	1,620	1,206	1,123	391	772	436	235	1,419	1,487
1976 *1*	8,811	1,617	1,173	1,111	427	795	472	326	1,433	1,457
2	8,730	1,615	1,225	1,119	381	789	460	274	1,425	1,442
3	8,824	1,641	1,253	1,128	375	819	496	300	1,420	1,392
4	8,925	1,604	1,281	1,137	418	811	498	336	1,434	1,406
1977 *1*	(8,740)[1]									
2										

[1] Preliminary estimate. See footnote [4] to the table on page 8.


£ million, seasonally adjusted
30,000
28,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8,000
0
Share of consumers' expenditure 1976
1970 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income
(before tax)
Total personal
disposable income
Taxes on income,
national insurance
etc., contributions
Savings
Consumers' expenditure
(current prices)
1971
1972
1973
1974
1975
1976

Retail sales, new registrations of cars and hire purchase debt (Great Britain)

	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]						Hire purchase and other instalment credit[3,4]	
	Total[5] §	Total[5] §	Food shops[5] §	Clothing and footwear shops §	Durable goods shops §	Other non-food shops §	New registrations of cars §	New credit extended	Changes in debt outstanding
Sales in 1971 £ million[6]	*15,895*	*15,895*	*6,693*	*2,314*	*1,801*	*5,087*			
1966	72·7	92·9	98·3	93	84	89	88·8	1,450	−135
1967	75·3	94·7	99·5	93	87	92	93·1	1,556	− 40
1968	80·4	97·3	100·5	96	92	96	93·1	1,643	+ 46
1969	84·9	97·3	101·6	96	89	96	82·3	1,587	− 20
1970	91·4	99·1	101·7	98	92	99	91·4	1,775	+ 84
1971	100·0	100·0	100·0	100	100	100	108·5	2,053	+240
1972	112·0	105·8	101·5	105	115	109	138·6	2,497	+424
1973	126·9	110·7	101·0	109	127	118	137·1	2,871	+438
1974	146·7	109·9	101·8	107	123	117	102·8	2,517	−155
1975	174·5	107·9	99·3	108	121	115	97·2	2,992	− 10
1976	200·3	108·1	99·1	108	124	114	104·7	3,606	+342
1972 *1*	105·8	102·1	99·9	100	107	104	124·0	567	+ 78
2	109·3	104·8	101·1	104	114	107	147·7	618	+112
3	114·1	107·3	101·7	108	118	111	135·4	640	+116
4	118·6	109·2	103·1	107	122	114	147·2	672	+118
1973 *1*	123·4	111·6	100·8	115	130	118	147·1	752	+170
2	122·2	108·6	100·9	105	123	115	137·1	685	+ 86
3	128·0	110·7	101·2	108	127	119	139·2	720	+ 99
4	134·0	111·7	101·1	109	129	121	125·2	714	+ 83
1974 *1*	136·5	109·4	100·1	107	121	119	99·3	570	− 64
2	141·2	108·0	101·3	104	118	115	104·3	618	− 45
3	150·9	111·2	103·0	110	125	118	106·8	651	− 22
4	158·1	111·2	102·7	107	128	119	101·0	678	− 24
1975 *1*	166·0	111·1	100·8	112	129	118	104·3	715	− 10
2	174·2	109·2	99·0	108	130	116	92·7	759	+ 14
3	176·7	105·4	98·1	107	111	112	103·0	749	− 4
4	181·7	105·7	99·1	105	113	112	88·9	769	− 10
1976 *1*	190·3	107·3	99·3	107	119	114	102·7	844	+ 37
2	195·1	107·6	99·8	107	122	113	105·7	875	+ 79
3	203·8	108·9	99·0	108	128	115	97·4	915	+106
4	211·9	108·5	98·2	108	128	115	112·8	972	+120
1977 *1*	217·1	105·0	94·9	108	118	113	104·1	1,020	+140
2									
1975 *O*	178·1	105·2	98·7	106	110	112	88·5	253	− 13
N	180·2	104·9	98·9	103	112	111	86·0	251	− 3
D	185·7	106·6	99·7	106	116	113	92·1	265	+ 6
1976 *J*	193·7	110·2	99·6	113	125	118	105·3	282	+ 13
F	189·1	106·6	99·3	106	119	112	101·0	277	+ 14
M	188·6	105·4	99·0	103	114	111	101·9	285	+ 10
A	196·2	108·8	101·5	108	125	113	116·4	291	+ 26
M	193·5	106·8	99·2	106	119	113	109·7	292	+ 26
J	195·6	107·3	98·9	108	122	113	91·0	292	+ 27
J	200·2	108·8	99·7	108	128	115	90·6	291	+ 31
A	204·2	108·9	99·4	108	128	115	115·0	305	+ 39
S	206·4	108·9	98·2	110	128	116	86·5	319	+ 36
O	207·7	108·1	98·0	107	129	115	108·8	310	+ 36
N	212·9	109·2	97·9	108	130	117	119·2	332	+ 51
D	214·5	108·3	98·6	108	127	115	110·5	330	+ 33
1977 *J*	217·6	106·7	94·2	113	123	115	92·6	324	+ 41
F	218·1	105·7	95·5	107	120	113	117·6	342	+ 49
M	217·1	105·0	94·9	108	118	113	102·1	354	+ 50

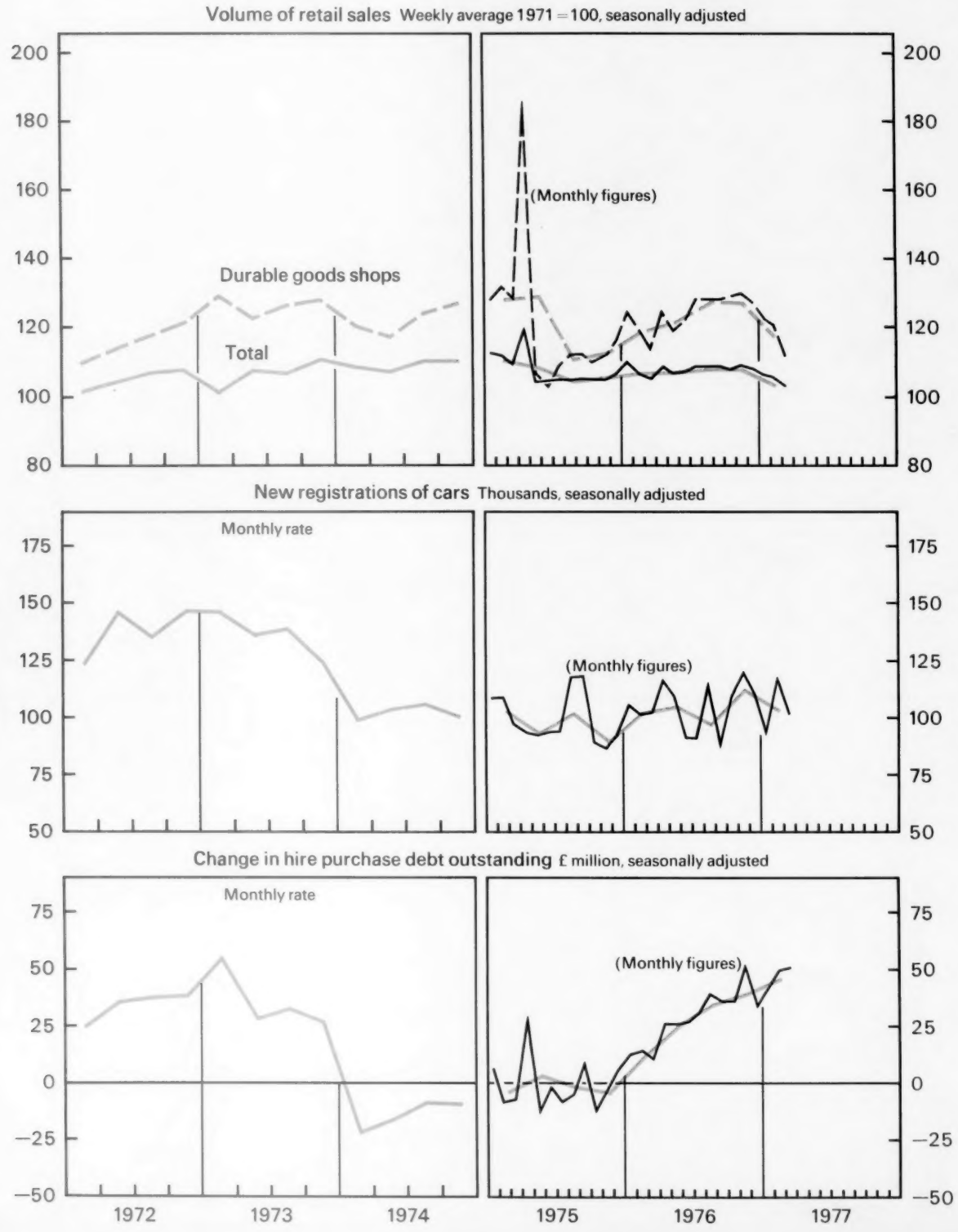
[1] Monthly averages. [2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses and retailers, i.e. durable goods shops and department stores *plus* other general stores, general mail order houses and the non-durable goods departments of co-operative societies.

[4] The seasonal adjustments have been revised in the light of subsequent experience.

[5] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

[6] Provisional estimates.


Volume of retail sales Weekly average 1971 = 100, seasonally adjusted
200
180
160
140
120
100
80
Durable goods shops
Total
(Monthly figures)
New registrations of cars Thousands, seasonally adjusted
Monthly rate
175
150
125
100
75
50
(Monthly figures)
Change in hire purchase debt outstanding £ million, seasonally adjusted
Monthly rate
75
50
25
0
−25
−50
(Monthly figures)
1972
1973
1974
1975
1976
1977

Shares of income and expenditure

Seasonally adjusted

	£ million	Per cent					£ million	Per cent		
		Percentage share of total final expenditure						Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	Public authorities' current expenditure on goods and services	Gross fixed investment: General government	Gross fixed investment: Public corporations	Gross fixed investment: Private sector	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1966	45,178	53·6	14·5	3·7	3·2	8·4	33,330	68·4	13·8	17·8
1967	47,925	53·1	15·2	4·1	3·5	8·1	34,778	68·3	13·4	18·3
1968	52,700	51·9	14·7	4·1	3·1	8·4	37,813	67·2	14·0	18·8
1969	56,294	51·7	14·4	4·0	2·6	8·6	40,332	67·3	13·2	19·5
1970	62,123	50·9	14·6	3·9	2·7	8·6	44,742	68·0	12·7	19·3
1971	69,060	51·1	15·0	3·7	2·7	8·8	49,766	67·3	13·2	19·5
1972	76,881	51·7	15·3	3·7	2·3	9·1	56,605	66·4	13·5	20·1
1973	91,010	49·5	14·7	4·0	2·3	9·3	66,555	65·0	14·4	20·6
1974	109,248	47·4	15·2	4·0	2·6	8·7	79,129	66·3	13·0	21·7
1975	132,141	47·9	17·3	3·8	3·0	8·7	97,353	70·1	10·2	19·7
1976	157,215	46·5	16·8	3·4	2·9	8·4	113,133	68·7	11·2	20·1
1975 *1*	30,748	47·7	17·3	4·0	3·0	8·5	22,914	69·6	11·0	19·4
2	32,026	48·7	17·1	4·1	2·7	8·9	23,681	70·2	10·0	19·8
3	33,846	48·2	17·4	3·6	3·0	9·4	24,801	71·2	9·6	19·2
4	35,521	47·2	17·4	3·9	3·1	8·1	25,957	69·4	10·4	20·2
1976 *1*	36,793	47·4	16·9	4·0	3·2	8·0	26,772	69·2	10·7	20·9
2	38,223	46·4	17·0	3·4	2·9	8·5	27,959	69·4	10·7	19·9
3	40,051	46·2	16·8	3·1	2·7	8·9	28,747	69·0	11·0	20·0
4	42,148	46·1	16·4	3·1	2·9	8·1	29,655	67·4	12·3	20·3

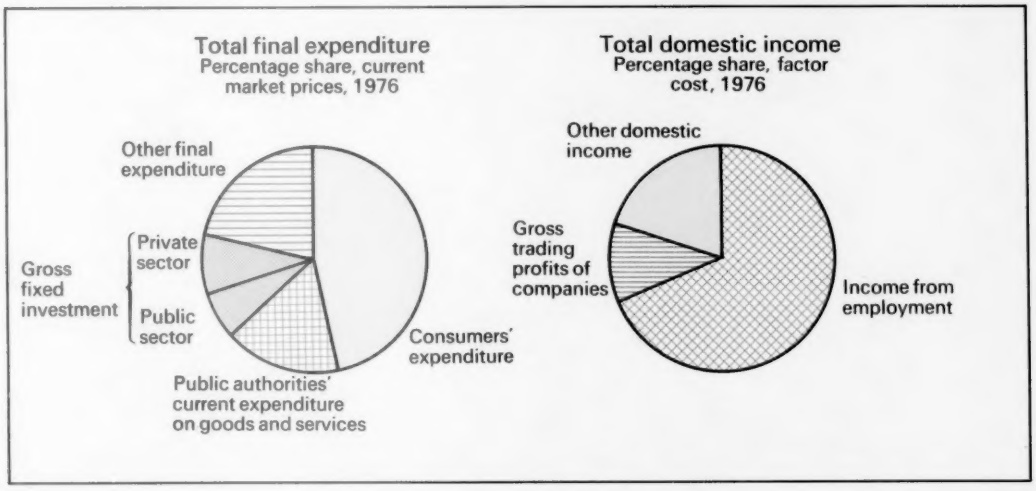
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and other public enterprises, income from rent and self-employment.

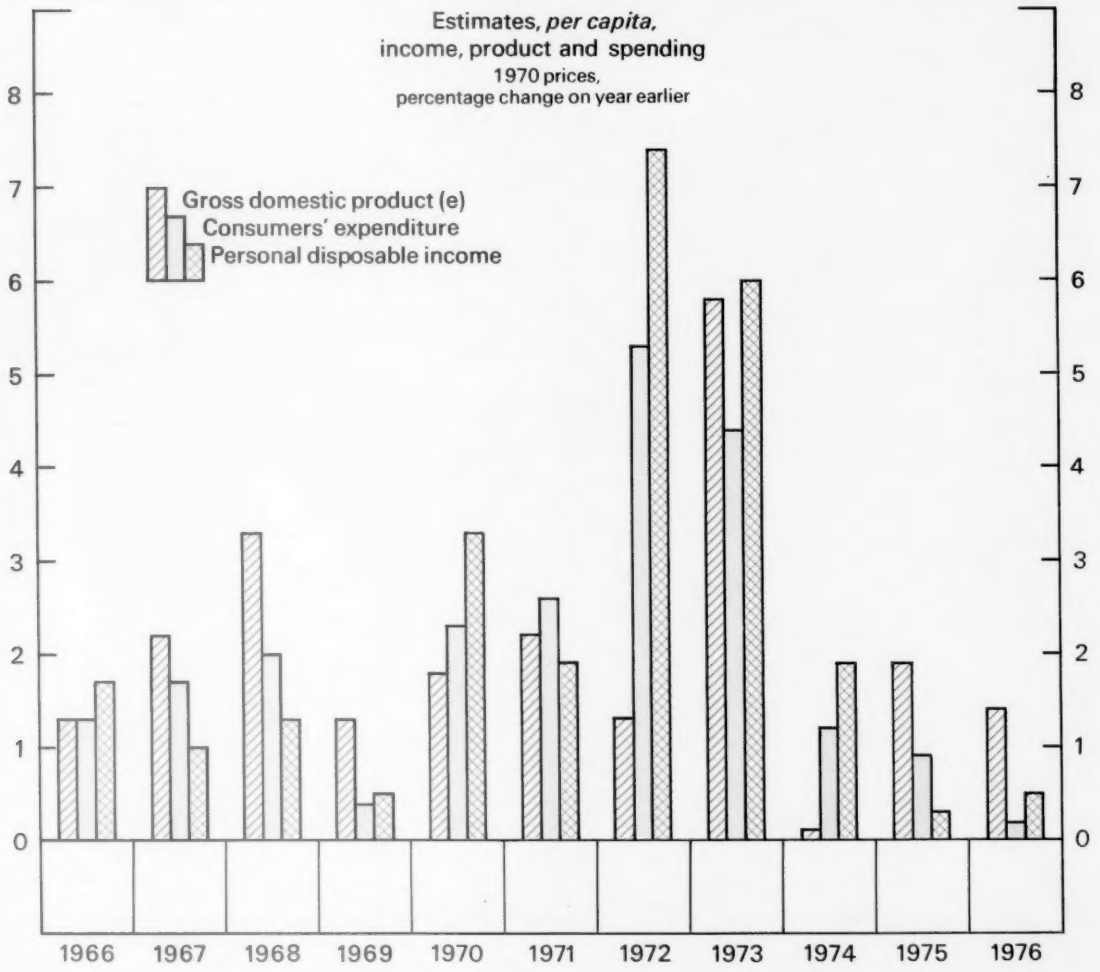
Estimates, *per capita*, income, product and spending

Seasonally adjusted

	£, current prices				£, 1970 prices		
	Gross national product	Gross domestic product[1]	Consumers' expenditure	Personal disposable income	Gross domestic product[1]	Consumers' expenditure	Personal disposable income
1966	613	606	443	488	719	535	589
1967	643	636	463	506	734	544	595
1968	685	679	496	538	758	555	603
1969	722	713	526	572	768	557	606
1970	793	783	570	626	783	570	626
1971	892	883	633	690	800	585	638
1972	994	985	712	792	810	616	685
1973	1,156	1,132	805	908	857	643	725
1974	1,335	1,312	924	1,077	857	635	740
1975	1,678	1,662	1,130	1,326	842	629	738
1976	1,943	1,923	1,305	1,521	854	630	734
1975 *1*	390	386	262	311	214	160	191
2	409	405	278	323	210	158	183
3	427	422	291	342	207	156	183
4	453	448	299	349	211	155	181
1976 *1*	467	462	311	366	215	157	185
2	471	467	317	372	210	156	183
3	492	486	331	391	212	158	186
4	513	508	347	392	216	159	180

[1] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1976
Other final expenditure
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
Public authorities' current expenditure on goods and services
Total domestic income
Percentage share, factor cost, 1976
Other domestic income
Gross trading profits of companies
Income from employment


Estimates, per capita,
income, product and spending
1970 prices,
percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
8
7
6
5
4
3
2
1
0
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976

16

Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1970 prices

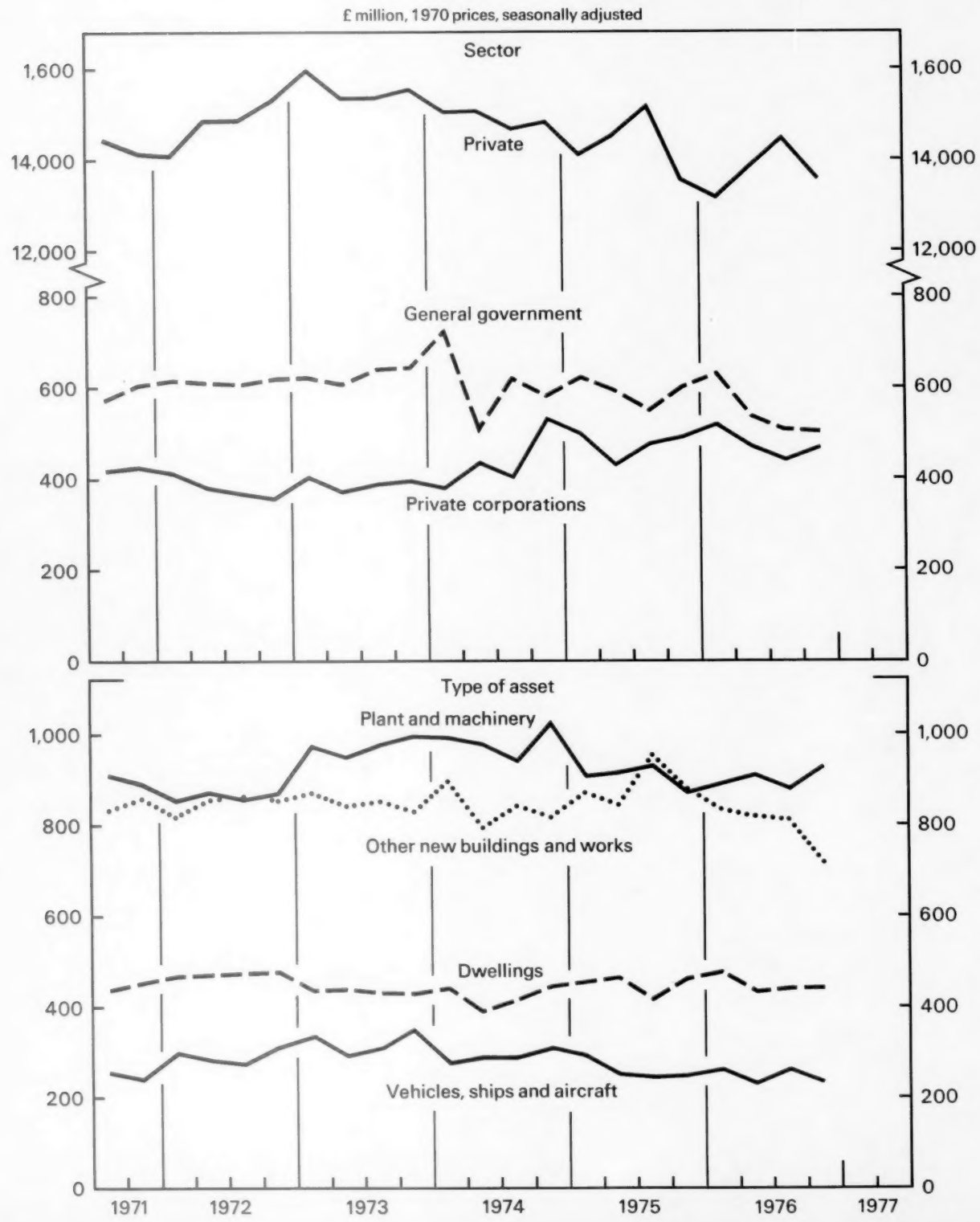
	Sector[1]				Type of asset					
					Dwellings					
	Total§	Private sector	General government	Public corporations	Total	of which: Private	of which: Public	Other new building and works[2]	Vehicles ships and aircraft	Plant and machinery
1966	8,097	4,344	2,015	1,738	1,603	847	756	2,601	674	3,219
1967	8,780	4,488	2,316	1,976	1,784	915	869	2,879	752	3,365
1968	9,182	4,906	2,432	1,844	1,868	957	911	3,020	928	3,366
1969	9,216	5,211	2,390	1,615	1,785	894	891	3,050	912	3,469
1970	9,453	5,343	2,431	1,679	1,643	841	802	3,173	979	3,658
1971	9,682	5,596	2,388	1,698	1,754	1,007	747	3,315	1,013	3,600
1972	9,862	5,907	2,449	1,506	1,872	1,160	712	3,382	1,166	3,442
1973	10,283	6,223	2,504	1,556	1,727	1,017	710	3,388	1,283	3,885
1974	10,124	5,953	2,433	1,738	1,684	863	821	3,352	1,165	3,923
1975	9,991	5,736	2,358	1,897	1,798	918	880	3,544	1,038	3,611
1976	9,562	5,500	2,173	1,889	1,793	884	909	3,184	992	3,593
1970 *3*	2,366	1,363	610	393	415	213	202	804	235	912
4	2,411	1,333	636	442	418	220	198	811	240	942
1971 *1*	2,372	1,308	625	439	421	234	187	801	252	898
2	2,434	1,427	587	420	443	248	195	826	267	898
3	2,433	1,445	572	416	438	258	180	830	254	911
4	2,443	1,416	604	423	452	267	185	858	240	893
1972 *1*	2,434	1,406	617	411	464	283	181	817	298	855
2	2,468	1,484	608	376	465	282	183	855	281	867
3	2,453	1,483	605	365	469	301	168	856	274	854
4	2,507	1,534	619	354	474	294	180	854	313	866
1973 *1*	2,616	1,596	619	401	436	259	177	871	337	972
2	2,517	1,536	605	376	439	265	174	841	291	946
3	2,562	1,536	639	387	431	248	183	849	308	974
4	2,588	1,555	641	392	421	245	176	827	347	993
1974 *1*	2,603	1,502	724	377	440	231	209	897	278	988
2	2,447	1,504	511	432	387	209	178	795	289	976
3	2,484	1,466	618	400	415	195	220	841	289	939
4	2,590	1,481	580	529	442	228	214	819	309	1,020
1975 *1*	2,534	1,415	620	499	455	228	227	873	295	911
2	2,474	1,451	590	433	463	237	226	843	252	916
3	2,540[3]	1,516[3]	548	476	417	228	189	955[3]	244	924
4	2,443	1,354	600	489	463	225	238	873	247	860
1976 *1*	2,460	1,315	628	517	476	227	249	834	263	887
2	2,394[4]	1,381[4]	538	469	437	215	222	818[4]	236	903
3	2,392[5]	1,448[5]	505	439	440	229	211	813[5]	261	878
4	2,316	1,350	502	464	440	213	227	719	232	925
	Percentage change, quarter on corresponding quarter of previous year									
1974 *3*	*−3·0*	*−4·6*	*− 3·3*	*+ 3·4*	*− 3·7*	*−21·4*	*+20·2*	*− 0·9*	*− 6·2*	*− 3·6*
4	*+0·1*	*−4·8*	*− 9·5*	*+34·9*	*+ 5·0*	*− 6·9*	*+21·6*	*− 1·0*	*−11·0*	*+ 2·7*
1975 *1*	*−2·7*	*−5·8*	*− 4·4*	*+32·4*	*+ 3·4*	*− 1·3*	*+ 8·6*	*− 2·7*	*+ 6·1*	*− 7·8*
2	*+1·1*	*−3·5*	*+15·5*	*+ 0·2*	*+19·6*	*+13·4*	*+27·0*	*+ 6·0*	*−12·8*	*− 6·1*
3	*+2·3*	*+3·4*	*−11·3*	*+19·0*	*+ 0·5*	*+16·9*	*−14·1*	*+13·6*	*−15·6*	*− 1·6*
4	*−5·7*	*−8·6*	*+ 3·4*	*− 7·6*	*+ 4·8*	*− 1·3*	*+11·2*	*+ 6·6*	*−20·1*	*−15·7*
1976 *1*	*−2·9*	*−7·1*	*+ 1·3*	*+ 3·6*	*+ 4·6*	*− 0·4*	*+ 9·7*	*− 4·5*	*−10·8*	*− 2·6*
2	*−3·2*	*−4·4*	*− 8·8*	*+ 8·3*	*− 5·6*	*− 9·3*	*− 1·8*	*− 3·0*	*− 6·3*	*− 1·4*
3	*−5·8*	*−4·5*	*− 7·8*	*− 7·8*	*+ 5·5*	*+ 0·4*	*+11·6*	*−14·9*	*+ 7·0*	*− 5·0*
4	*−5·2*	*−0·3*	*−14·3*	*− 5·1*	*− 5·0*	*− 5·3*	*− 4·6*	*−17·6*	*− 6·1*	*+ 7·6*

[1] Including purchases *less* sales of land and existing buildings. [2] Including transfer costs of land and buildings.

[3] Including approximately £100 million extra capital formation in imported oil platforms and related equipment delivered during the summer but not adjusted for seasonality.

[4] Including approximately £60 million extra capital formation in imported oil platforms and related equipment delivered during this quarter but not adjusted for seasonality.

[5] Including approximately £50 million extra capital formation in imported oil platforms and related equipment delivered during this quarter but not adjusted for seasonality.


£ million, 1970 prices, seasonally adjusted
Sector
Private
General government
Private corporations
Type of asset
Plant and machinery
Other new buildings and works
Dwellings
Vehicles, ships and aircraft
1,600
14,000
12,000
800
600
400
200
0
1,000
1971
1972
1973
1974
1975
1976
1977

Indicators of fixed investment by manufacturing industry

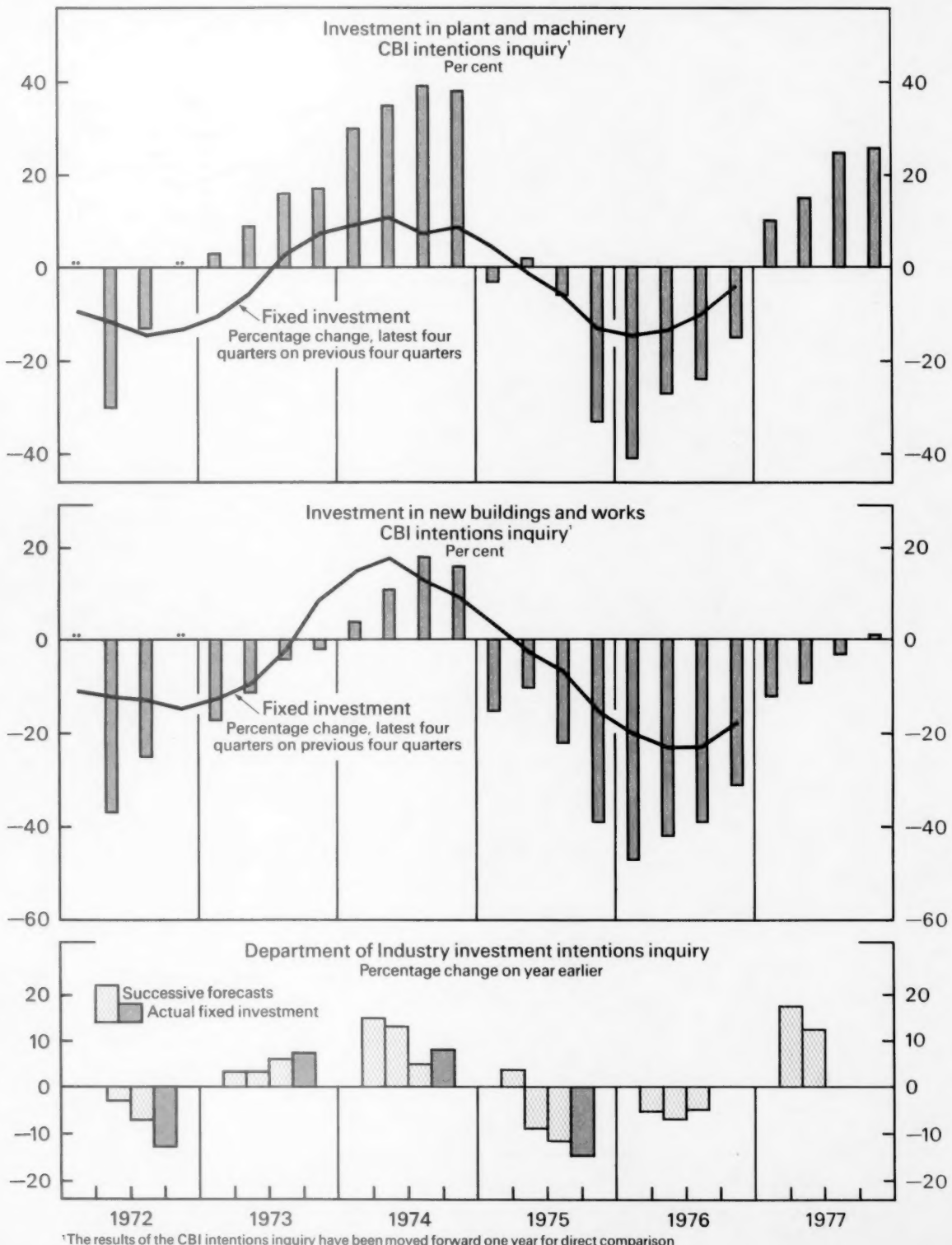
	Gross fixed investment in manufacturing industry							New orders received by contractors for private industrial work (GB)[1,2]
	Total§	Plant and machinery			New building and works			
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1970 prices, seasonally adjusted	£ million, 1970 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[3]	£ million, 1970 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[3]	£ million, 1970 prices, seasonally adjusted
1966	1,773·7	1,312·0	+ *6*	..	363·4	− *5*	..	510·1
1967	1,737·7	1,318·6	+ *1*	..	319·6	−*12*	..	527·9
1968	1,851·2	1,406·1	+ *7*	..	335·9	+ *5*	..	549·6
1969	1,977·5	1,471·5	+ *5*	..	390·1	+*16*	..	605·9
1970	2,129·8	1,623·9	+*10*	..	391·2	—	..	565·2
1971	1,990·7	1,520·2	− *6*	..	357·1	− *9*	..	417·3
1972	1,739·2	1,310·4	−*14*	..	305·5	−*14*	..	469·8
1973	1,871·7	1,407·9	+ *8*	..	330·8	+ *8*	..	590·6
1974	2,024·0	1,524·4	+ *8*	..	361·4	+ *9*	..	497·2
1975	1,737·2	1,325·4	−*13*	..	307·3	−*15*	..	305·9
1976	1,650·5	1,278·7	− *4*	..	251·5	−*18*	..	356·7
1971 *3*	497·9	383·5	− *6*	−13	87·2	−*11*	−25	102·6
4	480·4	362·1	−*13*	..	89·0	−*11*	..	104·2
1972 *1*	458·1	350·1	−*11*	3	79·8	−*12*	−17	109·0
2	429·1	321·7	−*15*	9	77·8	−*14*	−11	107·8
3	424·8	316·6	−*17*	16	76·3	−*13*	− 4	105·5
4	427·2	322·0	−*11*	17	71·6	−*20*	− 2	147·5
1973 *1*	466·8	356·1	+ *2*	30	76·7	− *4*	4	133·2
2	448·9	338·8	+ *5*	35	78·2	+ *1*	11	137·0
3	488·6	365·7	+*16*	39	89·2	+*17*	18	154·6
4	467·4	347·3	+ *8*	38	86·7	+*21*	16	165·8
1974 *1*	509·9	384·0	+ *8*	− 3	91·4	+*19*	−15	117·3
2	502·2	377·5	+*11*	2	89·4	+*14*	−10	116·0
3	501·2	378·0	+ *3*	− 6	87·9	− *1*	−22	148·0
4	510·7	384·9	+*11*	−33	92·7	+ *7*	−39	115·9
1975 *1*	471·2	355·3	− *7*	−41	87·4	− *4*	−47	106·5
2	444·4	338·9	−*10*	−27	80·2	−*10*	−42	75·2
3	416·1	318·5	−*16*	−24	72·7	−*17*	−39	72·1
4	405·5	312·7	−*19*	−15	67·0	−*28*	−31	52·1
1976 *1*	402·0	309·0	−*13*	10	66·3	−*24*	−12	75·7
2	408·2	315·0	− *7*	15	61·9	−*23*	− 9	95·7
3	418·0	324·9	+ *2*	25	61·9	−*15*	− 3	81·4
4	422·3	329·8	+ *5*	26	61·4	− *8*	1	103·9
1977 *1*				29			4	
2				31			—	

[1] New orders from the third quarter 1974 include orders received by firms, mostly small, which have been added to the statistical register.
[2] From 2nd quarter 1976 figures are not precisely comparable with those of earlier periods because of revisions to estimation methods and minor changes in type of work classification.
[3] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less. Figures relate to Inquiries in February, June and October of each year until 1972, when they are held in the first month of each quarter.
[4] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1968	probably some increase	about +5	less than +5	+ 6·5
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 6·8
1970	about +10	about +10	about +2 or +3	+ 7·7
1971	no large change	about −2	about −6 to −8	− 6·5
1972	little change, perhaps a rise	about −3	−7	−12·6
1973	+2 to +5	+2 to +5	+6	+ 7·6
1974	strong increase about +15	some +12 to +14	about +5	+ 8·1
1975	less than +5	−7 to −10	about −11 or −12	−14·2
1976	of the order of −5	−5 to −8	−4 to −5	
1977	between + 15 and + 20	+10 to +15		

[1] For each year the first inquiry is held in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. (In addition the inquiry at the end of the year seeks preliminary information in respect of the second year ahead and another survey in the spring of each year updates the intentions for both years covered by this inquiry; these two inquiries are not included in the table.)

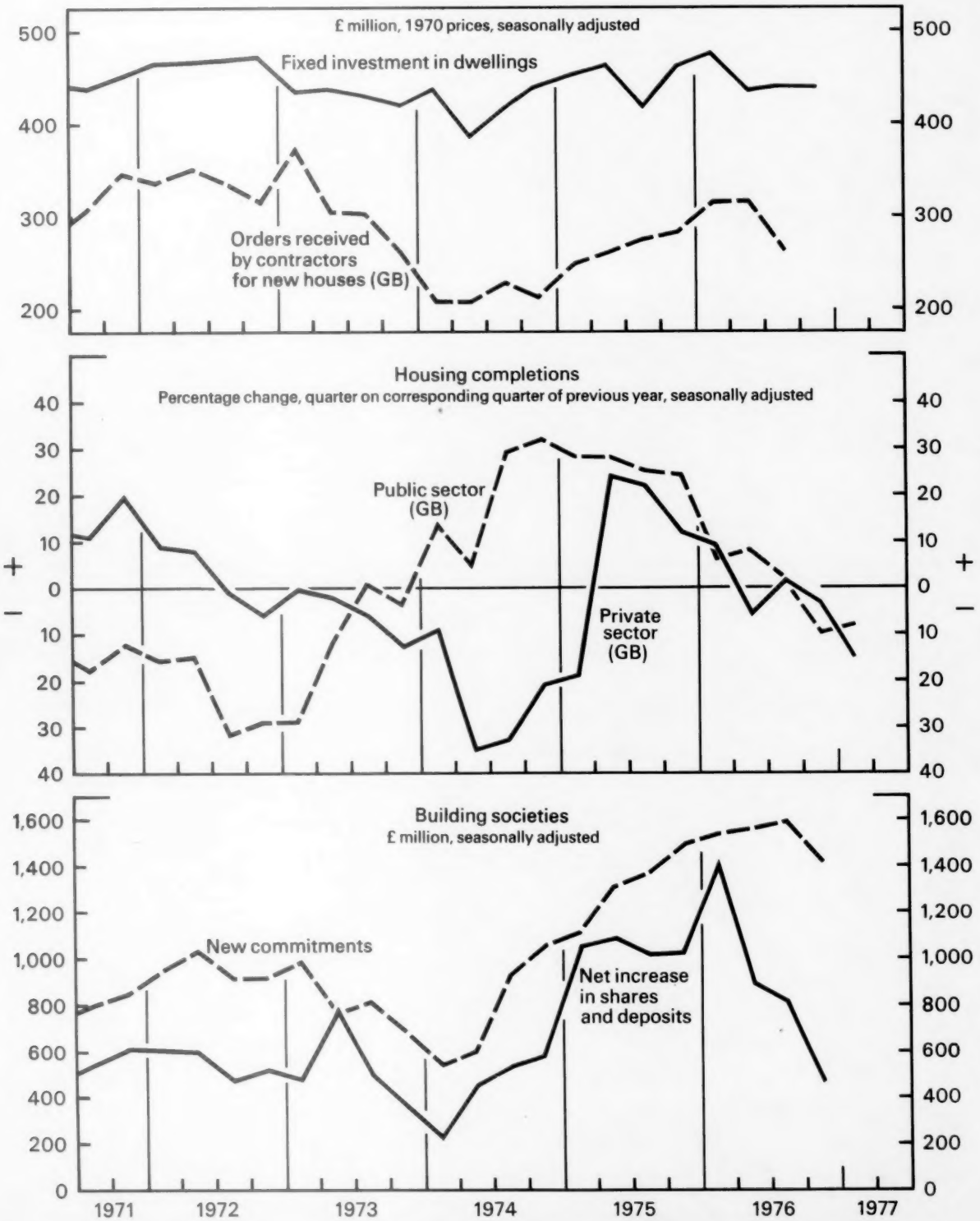


[1] The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1970 prices		Thousands				£ million		1970=100
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)[1,2]	Housing starts (GB)§		Housing completions (GB)§		Building Societies Association		Average price of new dwellings: mortgages approved[3]
			Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	
1966	1,603	1,381·2	193·4	185·9	205·4	180·1	1,223	724	79·2
1967	1,784	1,665·9	233·6	213·9	200·4	203·9	1,649	1,099	83·8
1968	1,868	1,435·7	200·1	194·3	222·0	191·7	1,480	767	89·6
1969	1,785	1,165·9	166·8	176·6	181·7	185·1	1,580	895	94·2
1970	1,643	1,171·6	165·1	153·8	170·3	180·1	2,188	1,490	100·0
1971	1,754	1,191·3	207·4	136·9	191·6	158·9	3,013	2,034	115·3
1972	1,872	1,351·3	228·0	123·0	196·5	122·8	3,802	2,193	151·5
1973	1,727	1,247·9	215·7	112·8	186·6	107·5	3,254	2,102	206·4
1974	1,684	866·1	105·9	146·8	140·9	128·6	3,115	1,993	218·9
1975	1,798	1,066·3	149·8	173·9	150·9	162·3	5,302	4,172	239·5[4]
1976	1.793	1,129·3	154·8	170·9	151·7	162·8	6,106	3,575	259·5
1972 *3*	469	337·3	57·6	28·2	48·9	25·9	909	466	167·6
4	474	327·5	62·0	31·0	49·0	27·0	916	526	182·2
1973 *1*	436	375·2	62·6	29·8	48·8	25·8	991	464	196·0
2	439	306·1	54·9	27·8	49·0	29·5	759	784	205·4
3	431	303·5	52·8	27·2	46·1	26·2	816	498	211·6
4	421	263·1	45·4	28·0	42·7	26·0	688	356	217·0
1974 *1*	440	207·7	33·8	34·1	44·3	29·5	533	218	216·8
2	387	207·6	25·8	40·3	31·9	30·8	598	456	215·4
3	415	230·0	22·5	36·5	30·9	33·9	931	634	221·0
4	442	220·8	23·8	35·9	33·8	34·4	1,053	685	221·8
1975 *1*	455	248·3	33·1	41·4	35·8	37·8	1,119	1,054	228·1
2	463	261·0	37·7	37·8	39·7	39·3	1,311	1,085	239·4
3	417	274·0	38·3	44·0	37·6	42·5	1,373	1,012	244·5
4	463	283·0	40·7	50·7	37·8	42·7	1,499	1,021	246·1
1976 *1*	476	314·2	41·8	49·9	39·2	40·2	1,541	1,417	249·8
2	437	314·3	42·3	44·6	37·5	42·5	1,560	884	258·4
3	440	266·2	40·0	44·8	38·3	41·8	1,588	807	264·1
4	440	234·6	30·7	31·6	36·7	38·3	1,417	467	267·0
1977 *1*			28·8	30·3	33·4	37·0	1,261	985	270·2
2									
1976 *J*	..	94·8	13·4	18·1	13·1	13·5	498	398	249·4
F	..	115·8	12·8	16·3	12·0	14·3	495	465	247·0
M	..	103·6	15·6	15·5	14·1	12·4	548	554	252·5
A	..	116·7	13·9	14·7	12·2	14·9	520	397	256·9
M	..	116·1	14·1	15·7	11·9	14·4	510	268	256·7
J	..	81·5	14·3	14·2	13·4	13·2	530	219	261·6
J	..	107·6	13·1	16·4	12·3	13·7	505	243	262·7
A	..	81·3	13·0	14·7	12·3	13·3	523	311	264·7
S	..	77·3	13·9	13·7	13·7	14·8	560	253	265·0
O	..	80·7	10·5	11·5	12·1	13·6	497	170	266·5
N	..	82·1	10·6	10·9	12·5	13·0	463	118	265·0
D	..	71·8	9·6	9·2	12·1	11·7	457	179	270·3
1977 *J*	..	64·8[5]	9·9	11·5	10·9	12·5	396	206	270·4
F	..	66·4[5]	9·2	7·6	11·7	12·9	391	348	268·6
M	..		9·7	11·2	10·8	11·6	474	431	271·5
A							460	452	
M									
J									

[1] New orders from July 1974 include orders received from firms mostly small which have now been added to the statistical register.
[2] From April 1976 figures are not precisely comparable with those for earlier periods because of revisions to estimation methods and minor changes in type of work classification.
[3] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[4] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages. [5] Provisional.


£ million, 1970 prices, seasonally adjusted
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
500
400
300
200
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
Public sector (GB)
Private sector (GB)
+
−
40
30
20
10
0
Building societies
£ million, seasonally adjusted
New commitments
Net increase in shares and deposits
1,600
1,400
1,200
1,000
800
600
400
200
0
1971
1972
1973
1974
1975
1976
1977

Stock changes

Seasonally adjusted

£ million, 1970 prices

		Manufacturing[1]				Distribution			
	All industries§	Total§	Materials and fuel	Work in progress	Finished goods	Total	Retail	Wholesale	Other industries
Book values end-December									
1970	18,218	10,396	3,455	4,037	2,903	3,806	1,977	1,829	4,016
1971 *1*	125	26	−21	−22	69	− 2	−16	14	101
2	− 76	− 95	−45	−63	13	33	7	26	−14
3	11	− 49	−42	− 8	1	23	14	9	37
4	39	− 30	−37	− 5	13	20	17	3	49
1972 *1*	− 15	− 62	−13	12	− 61	18	1	17	29
2	24	− 70	−53	20	− 38	41	40	1	53
3	8	− 36	3	− 7	− 32	− 7	−13	6	51
4	22	23	22	7	− 5	11	−13	24	−12
1973 *1*	418	172	73	100	− 1	122	82	40	124
2	336	99	74	51	− 27	211	205	6	26
3	176	42	31	59	− 48	76	48	28	58
4	197	91	66	43	− 17	75	47	28	31
1974 *1*	−105	− 21	66	− 7	− 80	− 16	−38	22	−68
2	321	197	61	21	115	66	19	47	58
3	330	357	135	73	150	− 37	−39	2	10
4	56	133	14	21	98	− 43	−53	10	−34
1975 *1*	−125	17	−129	29	118	− 61	−38	−23	−81
2	−267	−105	− 59	−31	− 16	−118	−66	−52	−44
3	−208	−234	−133	−72	− 29	9	38	−29	17
4	− 80	− 70	− 58	−38	26	36	43	− 7	−46
1976 *1*	25	31	− 43	37	37	37	12	25	−43
2	− 97	−115	− 37	−66	− 12	− 77	−55	−22	95
3	− 22	3	22	−20	2	31	22	9	−56
4	86	77	− 33	58	51	32	22	10	−23

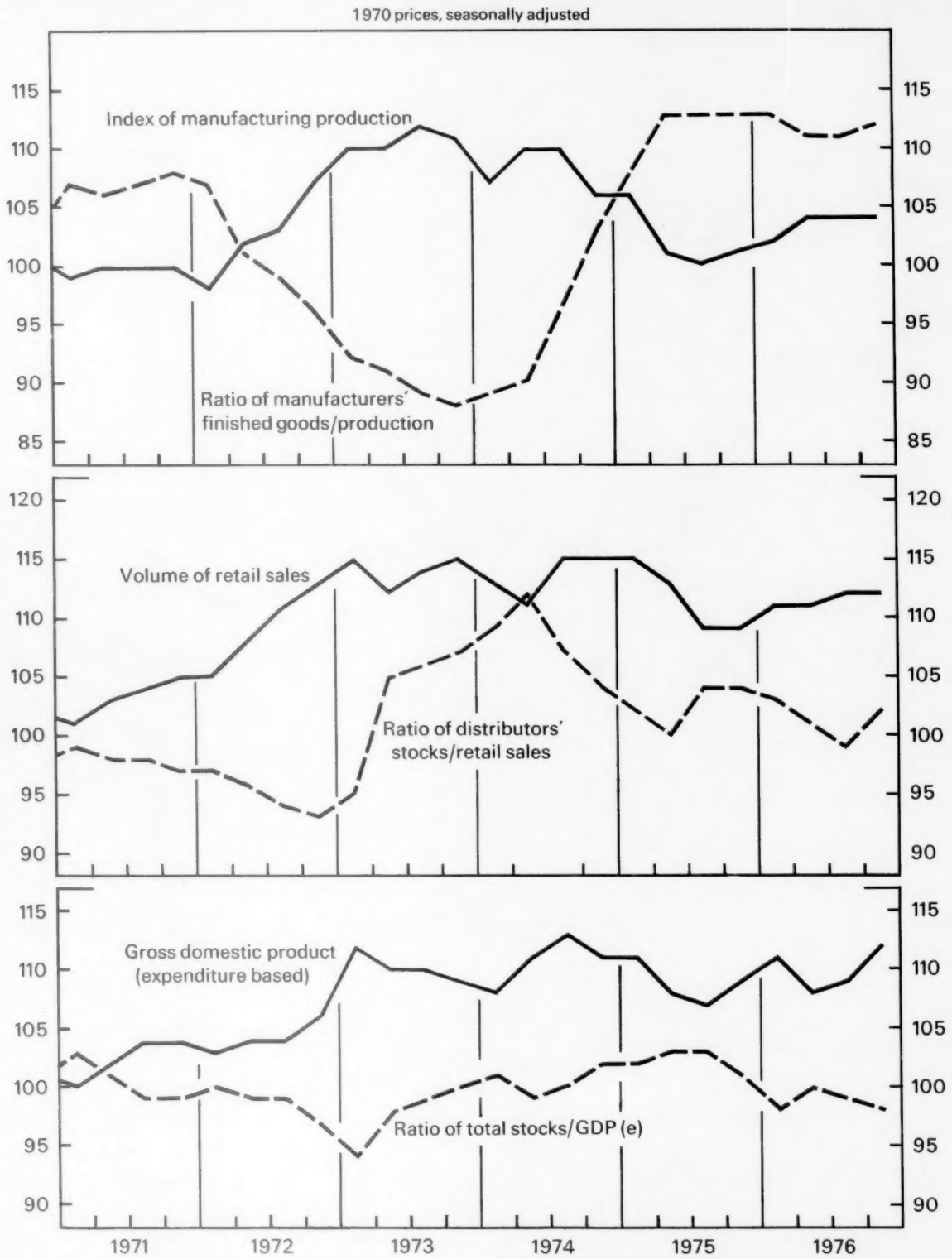
[1]Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

Stock ratios

Seasonally adjusted

1970 prices: stocks level, end-Dec. 1969=100; GDP (e), industrial production and retail sales, 4th quarter 1969=100

	Total stocks to gross domestic product (expenditure based)	Manufactured stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1971 *1*	103	104	103	103	107	99
2	101	102	101	101	106	98
3	99	102	100	101	107	98
4	99	102	99	101	108	97
1972 *1*	100	103	101	103	107	97
2	99	98	95	99	101	96
3	99	97	94	98	99	94
4	97	94	92	95	96	93
1973 *1*	94	92	90	94	92	95
2	98	93	92	96	91	105
3	99	93	92	96	89	106
4	100	94	94	97	88	107
1974 *1*	101	98	100	101	89	109
2	99	96	99	99	90	112
3	100	100	102	101	96	107
4	102	105	106	105	103	104
1975 *1*	102	105	103	105	108	102
2	103	110	107	110	113	100
3	103	108	104	109	113	104
4	101	107	101	107	113	104
1976 *1*	98	105	99	107	113	103
2	100	103	96	104	111	101
3	99	103	97	103	111	99
4	98	103	95	104	112	102

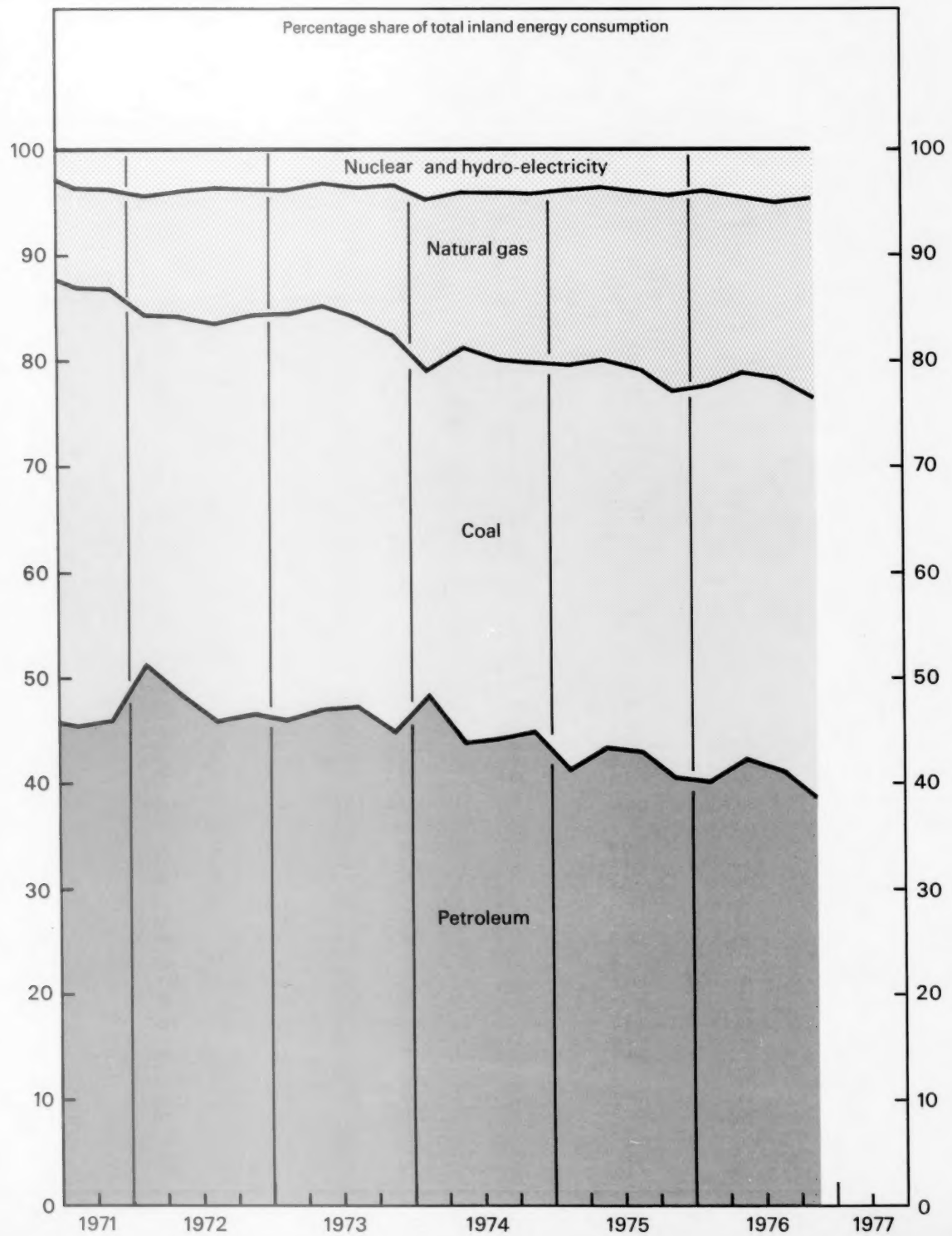

1970 prices, seasonally adjusted
Index of manufacturing production
Ratio of manufacturers' finished goods/production
Volume of retail sales
Ratio of distributors' stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
115
110
105
100
95
90
85
120
1971
1972
1973
1974
1975
1976

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input[1]						Public supply	
	Million tons of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal[2]	Petroleum[3]	Natural gas[4,5]	Nuclear electricity[5]	Hydro electricity[5]	Electricity available(GB)[6]	Gas available(GB)[7]
1966	298·0	173·5	113·2	1·2	7·8	2·3	171·9	4·04
1967	298·5	163·7	121·2	2·1	8·9	2·6	177·8	4·37
1968	307·9	164·1	127·1	4·7	10·1	1·9	193·6	4·88
1969	317·9	160·2	136·2	9·2	10·5	1·8	200·5	5·40
1970	331·0	154·3	147·4	17·6	9·3	2·4	211·6	6·30
1971	327·6	137·8	150·0	28·4	9·7	1·7	215·9	8·25
1972	332·1	119·9	159·6	40·3	10·5	1·8	224·1	10·82
1973	348·4	131·0	161·9	43·6	9·9	2·0	241·0	12·04
1974	332·6	115·8	150·7	52·1	11·9	2·1	235·5	13·53
1975	320·9	118·8	134·9	54·5	10·8	1·9	234·2	13·90
1976	325·6[8]	121·0†	132·1†	57·9†	12·7[8]	1·9[8]	236·7[8]	14·37[8]
1971 *1*	332·2	144·7	151·3	25·0	9·0	2·2	211·8	7·33
2	325·7	138·4	149·7	26·8	9·4	1·4	212·6	8·01
3	321·4	133·2	146·2	30·3	10·4	1·3	217·4	8·52
4	331·3	134·7	152·9	31·6	10·2	1·9	221·8	9·15
1972 *1*	311·9	103·2	160·1	35·4	11·4	1·8	213·4	9·98
2	332·6	119·2	161·1	39·7	10·3	2·3	224·4	10·70
3	336·1	126·0	154·7	43·7	9·7	2·0	226·3	11·18
4	348·0	131·2	162·6	42·5	10·6	1·1	232·2	11·42
1973 *1*	345·8	132·2	160·2	40·8	10·7	1·9	243·2	11·51
2	346·9	132·3	163·2	40·2	9·2	2·0	241·3	11·69
3	351·2	129·1	166·5	43·4	10·0	2·2	241·3	12·19
4	349·5	130·2	157·8	50·0	9·7	1·8	238·3	12·79
1974 *1*	306·9	94·6	148·5	49·7	11·3	2·8	216·3	13·20
2	334·8	124·6	147·2	49·4	12·3	1·3	237·1	13·49
3	346·0	123·8	153·4	54·6	12·2	2·0	244·2	13·66
4	342·9	120·0	153·9	54·6	12·0	2·4	244·3	13·78
1975 *1*	326·2	125·2	134·6	53·6	10·7	2·1	236·2	13·73
2	324·7	119·3	140·8	52·9	10·2	1·5	237·3	13·71
3	318·1	115·1	137·0	53·3	10·6	2·1	234·7	13·97
4	314·7	115·4	127·1	58·4	11·8	2·0	228·5	14·17
1976 *1*	328·4	123·5	131·7	60·5	10·8	1·9	230·9	14·27
2	325·2	118·9	137·3	54·2	12·3	2·5	240·4	14·36
3	323·2	118·6	134·5	54·2	14·4	1·5	244·3	14·41
4	325·5	123·2	124·9	62·6	13·2[8]	1·6[8]	231·4[8]	14·45[8]
	Percentage change, quarter on corresponding quarter of previous year							
1975 *1*	*+ 6·3*	*+32·3*	*— 9·4*	*+ 7·8*	*— 5·3*	*—25·0*	*+ 9·2*	*+ 4·0*
2	*— 3·0*	*— 4·3*	*— 4·3*	*+ 7·1*	*—17·1*	*+15·4*	*+ 0·1*	*+ 1·7*
3	*— 8·1*	*— 7·0*	*—10·7*	*— 2·4*	*—13·1*	*+ 5·0*	*— 3·9*	*+ 2·3*
4	*— 8·2*	*— 3·8*	*—17·4*	*+ 7·0*	*— 1·7*	*—16·7*	*— 6·5*	*+ 2·8*
1976 *1*	*+ 0·7*	*— 1·3*	*— 2·1*	*+12·8*	*+ 1·0*	*— 8·9*	*— 2·2*	*+ 3·9*
2	*+ 0·2*	*— 0·3*	*— 2·5*	*+ 2·4*	*+20·5*	*+62·1*	*+ 1·3*	*+ 4·7*
3	*+ 1·6*	*+ 3·1*	*— 1·8*	*+ 1·7*	*+35·8*	*—30·5*	*+ 4·1*	*+ 3·1*
4	*+ 3·4*[8]	*+ 6·8*	*— 1·8*[8]	*+ 7·3*	*+11·6*[8]	*—20·9*[8]	*+ 1·3*[8]	*+ 2·0*[8]

[1] Revised basis. Details of changes are given in the *Digest of United Kingdom Energy Statistics 1976* and in *Energy Trends*, August 1976.
[2] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[3] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[4] Excluding gas flared or reinjected.
[5] Natural gas, nuclear and hydro electricity are not temperature corrected.
[6] The inclusion of Northern Ireland would add about 2% to the total.
[7] The inclusion of Northern Ireland would add about 0·3% to the total.
[8] Provisional


Percentage share of total inland energy consumption
Nuclear and hydro-electricity
Natural gas
Coal
Petroleum
100
90
80
70
60
50
40
30
20
10
0
1971
1972
1973
1974
1975
1976
1977

Index of industrial production

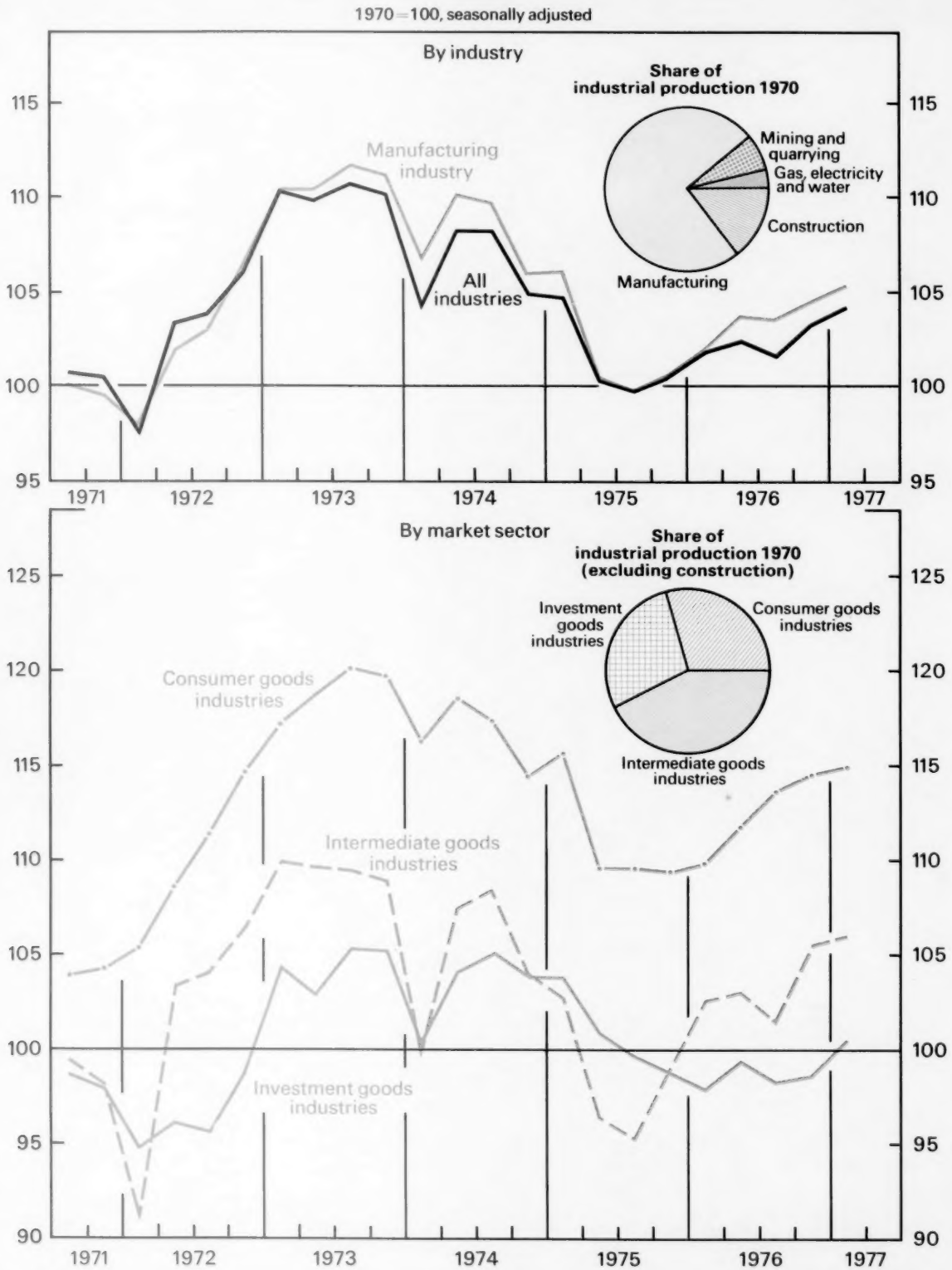
Seasonally adjusted

1970=100

	By industry					By market sector[1]		
	All industries covered §	Mining and quarrying	Manufacturing §	Construction[2]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1970 weights	*1,000*	*37*	*745*	*146*	*72*	*249*	*238*	*363*
1966	90·6	115·3	89·2	96·7	83·0	..	..	..
1967	91·7	114·5	89·8	100·4	86·0	..	..	..
1968	97·2	111·2	96·0	102·6	91·5	95·4	94·7	97·8
1969	99·8	104·0	99·6	101·9	96·0	98·2	100·1	99·9
1970	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1971	100·5	100·0	99·7	103·0	103·9	102·7	98·8	99·2
1972	102·6	84·1	102·3	104·4	111·4	109·9	96·2	101·1
1973	110·3	92·6	110 9	107·5	118·1	118·9	104·4	109·4
1974	106·4	78·8	108·1	98·2	118·7	116·6	103·2	104 8
1975	101·3	86·0	101·7	93·5	120·6	111·0	100·7	98·2
1976	102·2	89·2†	103·3	89·2	123·9	112·4	98·5†	103·0†
1971 *1*	99·8	104·0	99·2	101·8	100·0	100·8	98·0	99·5
2	101·1	103·7	100·3	102·9	104·3	102·1	101·2	99·7
3	100·7	101·4	100·0	102·3	105·2	103·8	98·6	99·4
4	100·5	90·8	99·5	105·1	106·0	104·2	97·3	98·1
1972 *1*	97·5	46·3	97·9	105·3	103·5	105·3	94·6	90·9
2	103·3	97·1	101·9	106·2	114·8	108·5	96·0	103·3
3	103·8	96·0	103·0	103·9	115·5	111·3	95·5	104·0
4	106·0	97·1	106·5	102·4	111·8	114·6	98·7	106·3
1973 *1*	110·3	99·0	110·4	109·9	116·1	117·2	104·3	109·8
2	109·8	95·5	110·4	106·7	116·8	118·7	102·8	109·6
3	110·7	93·8	111·7	107·2	116·8	120·1	105·2	109·4
4	110·2	82·0	111·2	106·1	122·9	119·7	105·1	108·8
1974 *1*	104·2	53·3	106·7	101·7	109·1	116·2	100·1	99·6
2	108·2	86·1	110·1	100·0	116·2	118·5	104·0	107·4
3	108·2	88·0	109·7	97·7	123·2	117·3	105·0	108·3
4	104·9	87·7	105·9	93·6	126·4	114·3	103·7	103·9
1975 *1*	104·7	87·3	106·1	93·4	122·5	115·6	103·6	102·6
2	100·3	85·4	100·5	93·8	119·4	109·5	100·8	96·3
3	99·7	84·4	99·7	94·4	117·1	109·5	99·6†	95·1
4	100·4	86·8	100·4	92·5	123·6	109·3†	98·7	98·7
1976 *1*	101·8†	87·6	101·8	93·3	127·3	109·8	97·8	102·4
2	102·4	88·9†	103·6	90·7	121·5†	111·6	99·4	102·9
3	101·5	86·4	103·5†	86·7	118·5	113·5	98·2	101·4†
4	103·2	94·0	104·5	86·1	128·5	114·5	98·5	105·4
1977 *1*	104·2	101·5	105·3		127·2	114·9	100·5	105·9
2								
1975 *O*	100·6	87	100·8	..	123	109	99	99
N	100·9	87	101·1	..	123	110	99	99
D	99·8	86	99·5	..	125	109	98	98
1976 *J*	101·1	90†	101·5	..	118†	109	97	101
F	102·5†	87	102·1	..	134	111	98	104†
M	101·9	86	101·8	..	129	110	98	103
A	102·4	89	103·3	..	123	111	100	103
M	104·5	89	106·4	..	121	114	101	106
J	100·5	88	101·1†	..	120	110	98	100
J	101·4	85	103·6	..	117	115	99	100
A	100·6	87	102·5	..	117	112	97	101
S	102·4	88	104·4	..	122	114	98	103
O	102·8	91	104·8	..	122	115	98	104
N	103·4	94	104·9	..	128	115	99	106
D	103·3	96	103·9	..	136	114	98	106
1977 *J*	104·3	100	105·0	..	132	115	99†	107
F	104·0	102	105·2	..	125	115	100	106
M	104·3	103	105·7	..	124	115	102	105

[1] All industries other than construction.

[2] For an index of construction output for Great Britain, incorporating the latest available information see page 30.

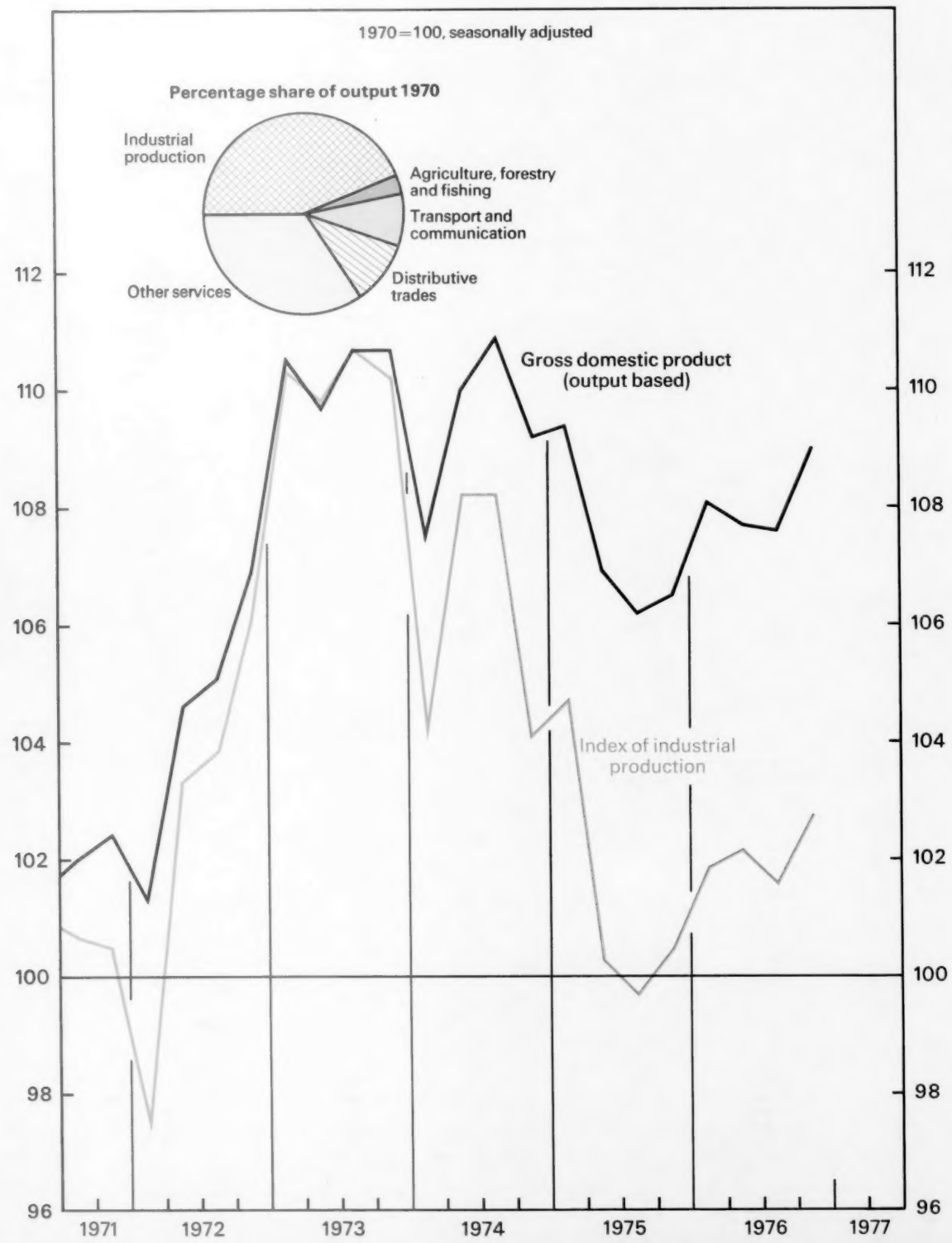

1970 = 100, seasonally adjusted
By industry
Share of industrial production 1970
Mining and quarrying
Gas, electricity and water
Construction
Manufacturing
Manufacturing industry
All industries
115
110
105
100
95
1971
1972
1973
1974
1975
1976
1977
By market sector
Share of industrial production 1970 (excluding construction)
Investment goods industries
Consumer goods industries
Intermediate goods industries
Consumer goods industries
Intermediate goods industries
Investment goods industries
125
120
115
110
105
100
95
90

Index numbers of output

	Seasonally adjusted					
	1970=100					
	Gross domestic product (based on output data)[1] §	Agriculture, forestry and fishing	Industrial production[2] §	Transport and communication	Distributive trades	Other services
1970 weights	*1,000*	*30*	*438*	*85*	*104*	*343*
1965	89·3	91	89·1	85	91	90
1966	90·9	91	90·6	88	92	92
1967	92·5	94	91·7	89	94	95
1968	96·3	94	97·2	92	97	96
1969	98·2	95	99·8	96	98	97
1970	100·0	100	100·0	100	100	100
1971	101·5	106	100·5	101	101	103
1972	104·5	108	102·6	106	107	106
1973	110·4	111	110·3	114	114	109
1974	109·4	116	106·4	114	113	110
1975	107·2	110	101·3	115	110	112
1976	108·1	102	102·2	115	111	114
1970 *3*	100·5	102	100·4	101	100	101
4	100·6	103	100·3	101	100	101
1971 *1*	100·2	102	99·8	99	99	101
2	101·5	105	101·1	101	101	102
3	102·0	108	100·7	102	102	103
4	102·5	108	100·5	104	103	104
1972 *1*	101·2	109	97·5	103	104	105
2	104·6	108	103·3	105	106	106
3	105·1	108	103·8	106	108	106
4	106·9	108	106·0	109	111	107
1973 *1*	110·5	109	110·3	112	115	109
2	109·7	109	109·8	114	112	108
3	110·7	113	110·7	115	114	109
4	110·7	114	110·2	116	115	109
1974 *1*	107·5	114	104·2	113	113	110
2	110·0	115	108·2	114	110	110
3	110·9	116	108·2	115	114	110
4	109·2	117	104·9	115	114	111
1975 *1*	109·4	115	104·7	116	113	112
2	106·9	112	100·3	115	111	112
3	106·2	109	99·7	115	108	113
4	106·5	106	100·5	113	108	113
1976 *1*	108·1	105	101·9	114	111	114
2	107·7	104	102·4	115	110	113
3	107·6	101	101·6	116	113	113
4	109·0	98	102·8	117	112	115
	Percentage change, quarter on corresponding quarter of previous year					
1974 *1*	*−2·7*	*+ 4·7*	*−5·6*	*+ 0·4*	*−2·3*	*+0·8*
2	*+0·2*	*+ 5·1*	*−1·4*	*− 0·3*	*−1·6*	*+1·7*
3	*+0·2*	*+ 2·5*	*−2·3*	*+ 0·1*	*+0·1*	*+1·5*
4	*−1·3*	*+ 2·5*	*−4·8*	*− 0·7*	*−0·5*	*+1·8*
1975 *1*	*+1·7*	*+ 0·4*	*+0·5*	*+ 2·8*	*+0·5*	*+2·3*
2	*−2·8*	*− 2·2*	*−7·3*	*+ 0·7*	*+0·5*	*+2·0*
3	*−4·2*	*− 5·9*	*−7·8*	*− 0·8*	*−5·6*	*+2·1*
4	*−2·5*	*− 9·6*	*−4·2*	*− 1·7*	*−5·4*	*+1·5*
1976 *1*	*−1·2*	*− 8·9*	*−2·7*	*− 1·9*	*−2·2*	*+1·5*
2	*+0·8*	*− 7·3*	*+2·1*	*+ 0·3*	*−0·9*	*+1·0*
3	*+1·3*	*− 7·3*	*+1·9*	*+ 1·4*	*+4·3*	*+0·4*
4	*+2·3*	*− 7·9*	*+2·3*	*+ 3·2*	*+4·1*	*+1·7*

[1] As from 1970 the gross domestic product is shown adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. The industrial production index is not adjusted for this effect.

[2] This series may not be fully consistent with that shown on page 26 which includes the latest information.


1970=100, seasonally adjusted
Percentage share of output 1970
Industrial production
Agriculture, forestry and fishing
Transport and communication
Distributive trades
Other services
Gross domestic product (output based)
Index of industrial production
112
110
108
106
104
102
100
98
96
1971
1972
1973
1974
1975
1976
1977

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

		Engineering industries[1]							Construction (GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Output[2]	Orders received[3,4]
		1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	1970=100	1970=100
1966		..	..	..	..	..	..	..	93·7	102·4
1967		..	..	..	..	..	..	..	100·1	118·1
1968		..	..	..	..	..	..	..	102·3	108·7
1969		97	101	100	102	99	100	102	101·9	102·6
1970		100	100	99	100	99	100	100	100·0	100·0
1971		101	93	97	95	98	89	93	102·9	107·3
1972		101	99	103	103	108	90	91	104·9	113·6
1973		113	133	134	134	136	131	131	107·6	108·9
1974		111	128	109	123	105	139	118	98·8	81·0
1975		108	99	90	91	87	113	98	93·2	78·9
1976		105	91	100	78	92	117	119	89·1[5]	83·8
1970	*3*	102	102	98	101	99	103	97	101·8	100·5
	4	100	100	97	100	98	100	95	100·8	95·1
1971	*1*	100	98	95	98	95	99	95	101·7	102·6
	2	101	94	92	94	92	94	91	102·8	107·5
	3	103	94	100	94	101	92	98	102·2	106·9
	4	100	93	99	95	104	89	88	105·0	112·2
1972	*1*	99	97	100	100	106	91	85	106·0	111·0
	2	101	96	100	100	104	90	92	106·6	118·4
	3	102	96	101	100	108	89	84	104·2	105·0
	4	104	99	111	103	114	90	103	102·7	120·1
1973	*1*	112	106	128	111	133	96	116	110·2	118·3
	2	112	113	131	118	134	104	122	106·8	108·6
	3	113	125	144	128	145	118	141	107·2	112·6
	4	114	133	135	134	131	131	144	106·2	96·0
1974	*1*	108	136	117	133	109	142	135	102·2	75·2
	2	112	138	117	133	112	148	128	100·4	74·6
	3	114	134	106	130	106	144	105	98·1	88·7
	4	112	128	97	123	94	139	104	94·5	85·6
1975	*1*	112	119	89	114	89	128	89	93·4	76·4
	2	109	113	95	108	92	124	102	93·5	78·1
	3	107	106	90	100	86	118	101	93·1	82·5
	4	103	99	85	91	80	113	98	92·7	78·6
1976	*1*	103	94	92	88	90	106	96	93·4	85·7
	2	106	90	95	83	90	103	107	90·7	92·6
	3	105	90	106	81	96	109	132	86·2	78·8
	4	104	91	106	78	92	117	139	86·1[5]	78·3
1975	*O*	107	103	84	96	79	116	96	..	87·5
	N	103	101	85	94	83	113	89	..	74·4
	D	100	99	87	91	77	113	110	..	73·9
1976	*J*	102	96	84	89	84	109	82	..	76·0
	F	101	95	95	89	94	108	97	..	88·0
	M	106	94	97	88	92	106	109	..	93·2
	A	108	92	92	86	89	105	100	..	110·2
	M	107	90	94	84	89	103	104	..	85·8
	J	102	90	99	83	91	103	118	..	81·7
	J	103	90	104	81	84	108	155	..	82·1
	A	104	90	103	81	95	109	122	..	82·1
	S	109	90	112	81	108	109	119	..	72·1
	O	104	91	106	80	91	112	144	..	71·8
	N	105	92	113	80	98	116	149	..	86·0
	D	104	91	98	78	87	117	125		76·9
1977	*J*	106	90	101	77	95	116	114		74·2[5]
	F									65·4[5]
	M									

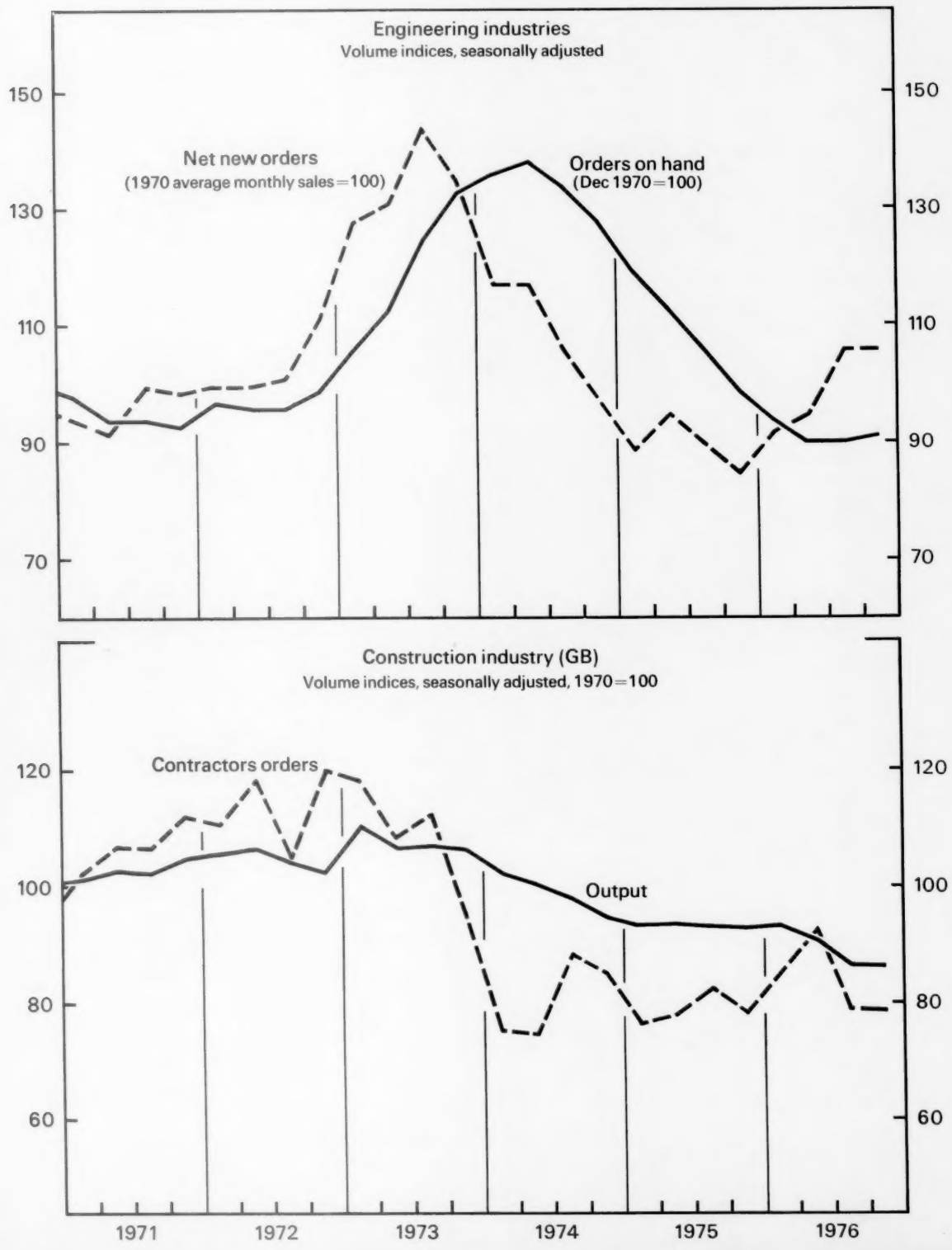
[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).

[2] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.

[3] New orders from July 1974 include orders received by firms mostly small which have now been added to the statistical register. An allowance has been made in the index calculation for this small element of discontinuity.

[4] From April 1976 figures are not precisely comparable with those for earlier periods because of revisions to estimation methods and minor changes in type of work classification.

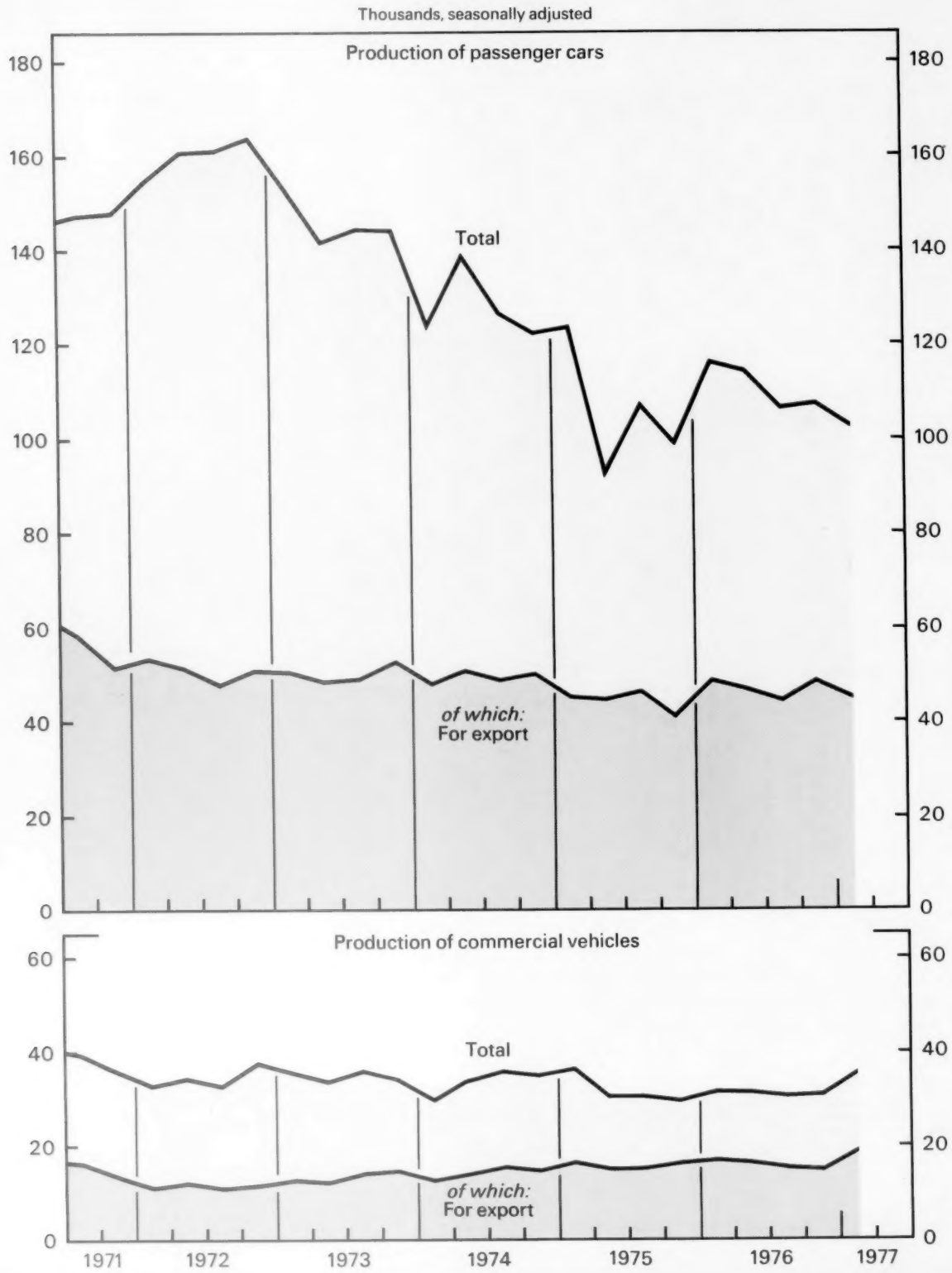
[5] Provisional


Engineering industries
Volume indices, seasonally adjusted
150
130
110
90
70
Net new orders
(1970 average monthly sales=100)
Orders on hand
(Dec 1970=100)
Construction industry (GB)
Volume indices, seasonally adjusted, 1970=100
120
100
80
60
Contractors orders
Output
1971
1972
1973
1974
1975
1976

Motor vehicle production and steel production and consumption

	Seasonally adjusted							
	Thousands[1]						Thousand tonnes	
	Passenger cars §			Commercial vehicles §				
	Total	*Percentage change on year earlier*	*of which:* For export	Total	*Percentage change on year earlier*	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1966	133·6	*— 6·9*	52·1	36·6	*— 3·6*	14·8	24,706	16,466
1967	129·3	*— 3·2*	47·0	32·1	*—12·2*	11·6	24,279	15,840
1968	151·3	*+17·1*	66·9	34·1	*+ 6·3*	12·5	26,277	16,835
1969	143·1	*— 7·2*	68·7	38·8	*+11·7*	16·1	26,846	17,782
1970	136·7	*— 4·4*	60·2	38·1	*— 1·8*	15·8	27,780[4]	17,637[4]
1971	145·2	*+ 6·2*	59·5	38·0	*— 0·3*	15·7	24,174	16,722
1972	160·1	*+10·3*	51·1	34·0	*—10·6*	11·3	25,321	16,750
1973	145·6	*— 9·1*	50·4	34·7	*+ 2·1*	13·3	26,649	18,445
1974	127·8	*—12·2*	49·7	33·5	*— 3·4*	14·2	22,323	17,548
1975	105·6	*—17·4*	44·3	31·7	*— 5·4*	15·5	19,789	15,446[4]
1976	111·1	*+ 5·2*	47·1	31·0	*— 2·3*	15·8	22,274	
1972 *1*	154·8	*+11·0*	53·7	32·3	*—12·6*	11·0	5,228	3,933
2	160·8	*+10·4*	51·8	34·1	*—15·5*	12·0	6,519	4,043
3	161·0	*+ 9·2*	48·0	32·3	*—17·7*	10·7	6,732	4,275
4	163·8	*+10·7*	51·0	37·5	*+ 5·0*	11·6	6,875	4,499
1973 *1*	152·6	*— 1·4*	50·7	35·5	*+10·1*	12·6	6,671	4,667
2	141·2	*—12·2*	48·4	33·6	*— 1·2*	12·1	6,415	4,368
3	144·4	*—10·3*	49·4	35·8	*+11·1*	14·0	6,954	4,599
4	144·2	*—11·9*	53·2	33·9	*— 9·6*	14·3	6,649	4,811
1974 *1*	123·2	*—19·3*	48·1	29·5	*—17·0*	12·5	5,218	4,357
2	139·5	*— 1·2*	51·1	33·9	*+ 0·8*	14·0	5,784	4,560
3	126·5	*—12·4*	49·2	35·8	*— 0·1*	15·5	5,763	4,252
4	122·1	*—15·3*	50·3	35·0	*+ 3·3*	14·7	5,599	4,379
1975 *1*	123·5	*+ 0·2*	45·4	36·3	*+23·1*	16·2	6,102	4,267
2	92·2	*—33·9*	44·9	30·5	*—10·0*	14·8	4,661	3,695
3	107·7	*—14·9*	46·4	30·5	*—14·9*	15·1	4,231[5]	3,715[5]
4	99·2	*—18·8*	40·7	29·6	*—15·3*	16·1	4,719	3,769
1976 *1*	116·2	*— 5·9*	48·9	31·6	*—12·9*	16·9	5,480	4,076
2	114·4	*+24·0*	46·7	31·4	*+ 2·9*	16·2	5,715	3,887
3	106·4	*— 1·1*	44·1	30·4	*— 0·3*	15·4	5,375	3,785
4	107·4	*+ 8·3*	48·6	30·6	*+ 3·4*	14·7	5,650	4,056
1977 *1*	102·4	*—11·9*	44·9	35·4	*+12·1*	18·8		
2								
1975 *J*	101·2	*—25·5*	45·1	29·6	*—18·0*	14·7	1,510[6]	..
A	97·4	*—30·8*	46·3	30·1	*—18·5*	15·8	1,332	..
S	124·4	*+21·0*	47·8	31·7	*— 7·8*	14·7	1,714[6]	..
O	92·7	*—21·4*	34·7	30·0	*—10·8*	15·9	1,502	..
N	101·3	*—21·4*	43·2	29·6	*—20·8*	16·2	1,516	..
D	103·6	*—13·4*	44·2	29·3	*—13·8*	16·2	1,701[6]	..
1976 *J*	101·8	*—20·7*	43·9	29·9	*—21·6*	16·8	1,575	..
F	127·1	*— 4·9*	52·7	32·5	*—12·8*	17·1	1,731	..
M	119·8	*+10·5*	50·2	32·5	*— 3·1*	16·9	2,174[6]	..
A	111·3	*— 6·8*	46·5	30·4	*— 8·1*	15·9	1,748	..
M	119·8	*+81·0*	48·0	32·9	*+10·9*	16·8	1,840	..
J	112·1	*+22·9*	45·5	30·9	*+ 7·4*	15·8	2,127[6]	..
J	131·0	*+29·4*	48·8	33·1	*+11·9*	16·0	1,700	..
A	82·4	*—15·4*	39·3	27·3	*— 9·4*	14·4	1,603	..
S	105·9	*—14·8*	44·2	30·7	*— 3·1*	15·7	2,072[6]	..
O	111·5	*+20·2*	47·0	30·9	*+ 3·0*	15·4	1,718	..
N	111·8	*+10·4*	50·9	33·6	*+13·7*	16·0	1,849	..
D	99·0	*— 4·4*	48·0	27·4	*— 6·6*	12·8	2,083[6]	
1977 *J*	119·1†	*+16·9†*	52·7†	37·5	*+25·3*	19·6	1,803	..
F	95·2	*—25·1*	42·3	34·0	*+ 4·7*	18·0	1,631†	..
M	92·9	*—22·5*	39·7	34·9	*+ 7·5*	18·8	1,993	

[1] Monthly averages or standardised calendar months.
[2] From January 1974 the totals are for 'useable steel' in accordance with the system used by EEC and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] Five-week periods.


Thousands, seasonally adjusted
Production of passenger cars
Total
of which:
For export
Production of commercial vehicles
Total
of which:
For export
180
160
140
120
100
80
60
40
20
0
1971
1972
1973
1974
1975
1976
1977

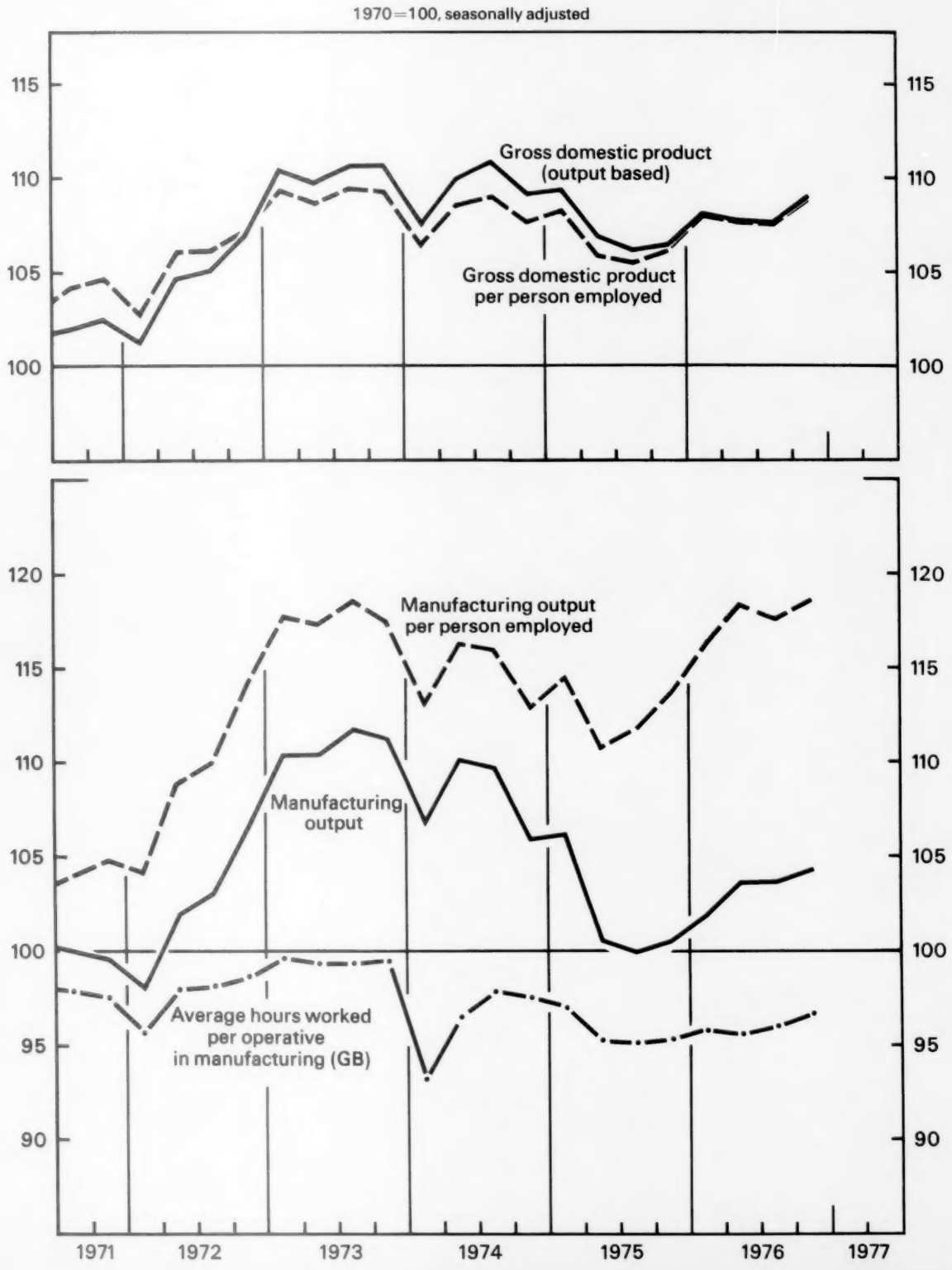
Output per person employed

Seasonally adjusted

1970 = 100

	Total employed labour force	Employment		Output per person employed[1]		
		Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1966	102·2	105·6	102·6	89·0	85·8	86·9
1967	100·9	102·8	99·8	91·6	89·2	90·0
1968	100·4	101·4	99·0	95·9	95·9	97·0
1969	100·4	101·5	100·3	97·8	98·3	99·3
1970	100·0	100·0	100·0	100·0	100·0	100·0
1971	98·3	96·9	96·8	103·3	103·7	103·0
1972	99·0	94·6	93·7	105·6	108·5	109·2
1973	101·0	95·8	94·2	109·3	115·1	117·7
1974	101·4	95·6	94·4	107·9	111·3	114·5
1975	100·8[2]	92·3[2]	90·3[2]	106·3	109·8	112·6
1976	100·1	89·9	87·8	108·0	113·7	117·7
1970 *3*	99·9	99·8	99·9	100·6	100·6	100·2
4	99·7	99·2	99·4	100·9	101·1	101·3
1971 *1*	98·6	98·7	98·9	101·6	101·1	100·3
2	98·6	97·3	97·3	102·9	103·9	103·1
3	97·9	96·3	96·2	104·2	104·6	104·0
4	97·9	95·3	94·9	104·7	105·5	104·8
1972 *1*	98·5	94·6	94·0	102·7	103·1	104·1
2	98·6	94·5	93·7	106·1	109·3	108·8
3	99·0	94·5	93·6	106·2	109·8	110·0
4	99·7	94·7	93·4	107·2	111·9	114·0
1973 *1*	100·9	95·4	93·8	109·5	115·6	117·7
2	101·0	95·7	94·1	108·6	114·7	117·3
3	101·1	95·9	94·2	109·5	115·4	118·6
4	101·2	96·0	94·6	109·4	114·8	117·5
1974 *1*	101·0	95·8	94·4	106·4	108·8	113·0
2	101·3	95·7	94·6	108·6	113·1	116·4
3	101·7	95·7	94·6	109·0	113·1	116·0
4	101·5	95·0	93·9	107·6	110·4	112·8
1975 *1*	101·0	94·0	92·6	108·3	111·4	114·6
2	101·0	92·8	90·8	105·8	108·1	110·7
3[2]	100·7	91·5	89·3	105·5	109·0	111·6†
4	100·4	90·7	88·3	106·1	110·7†	113·7
1976 *1*	100·1	90·1	87·7	108·0	113·1	116·1
2	100·1	89·9	87·6	107·6	113·9	118·3
3	100·1	89·9	87·9	107·5	112·9	117·6
4	100·2	89·7	88·1	108·8	115·1	118·6
	Percentage change, quarter on corresponding quarter of previous year					
1974 *3*	*+0·6*	*−0·2*	*+0·4*	*−0·5*	*−2·0*	*−2·2*
4	*+0·3*	*−1·0*	*−0·7*	*−1·7*	*−3·8*	*−4·0*
1975 *1*	*—*	*−1·9*	*−1·9*	*+1·7*	*+2·4*	*+1·4*
2	*−0·3*	*−3·0*	*−4·0*	*−2·6*	*−4·4*	*−4·9†*
3	*−1·0*	*−4·4*	*−5·6*	*−3·2*	*−3·6*	*−3·8*
4	*−1·1*	*−4·5*	*−6·0*	*−1·4*	*+0·3†*	*+0·8*
1976 *1*	*−0·9*	*−4·1*	*−5·3*	*−0·3*	*+1·5*	*+1·3*
2	*−0·9*	*−3·1*	*−3·5*	*+1·7*	*+5·4*	*+6·9*
3	*−0·6*	*−1·7*	*−1·6*	*+1·9*	*+3·6*	*+5·4*
4	*−0·2*	*−1·1*	*−0·2*	*+2·5*	*+4·0*	*+4·3*

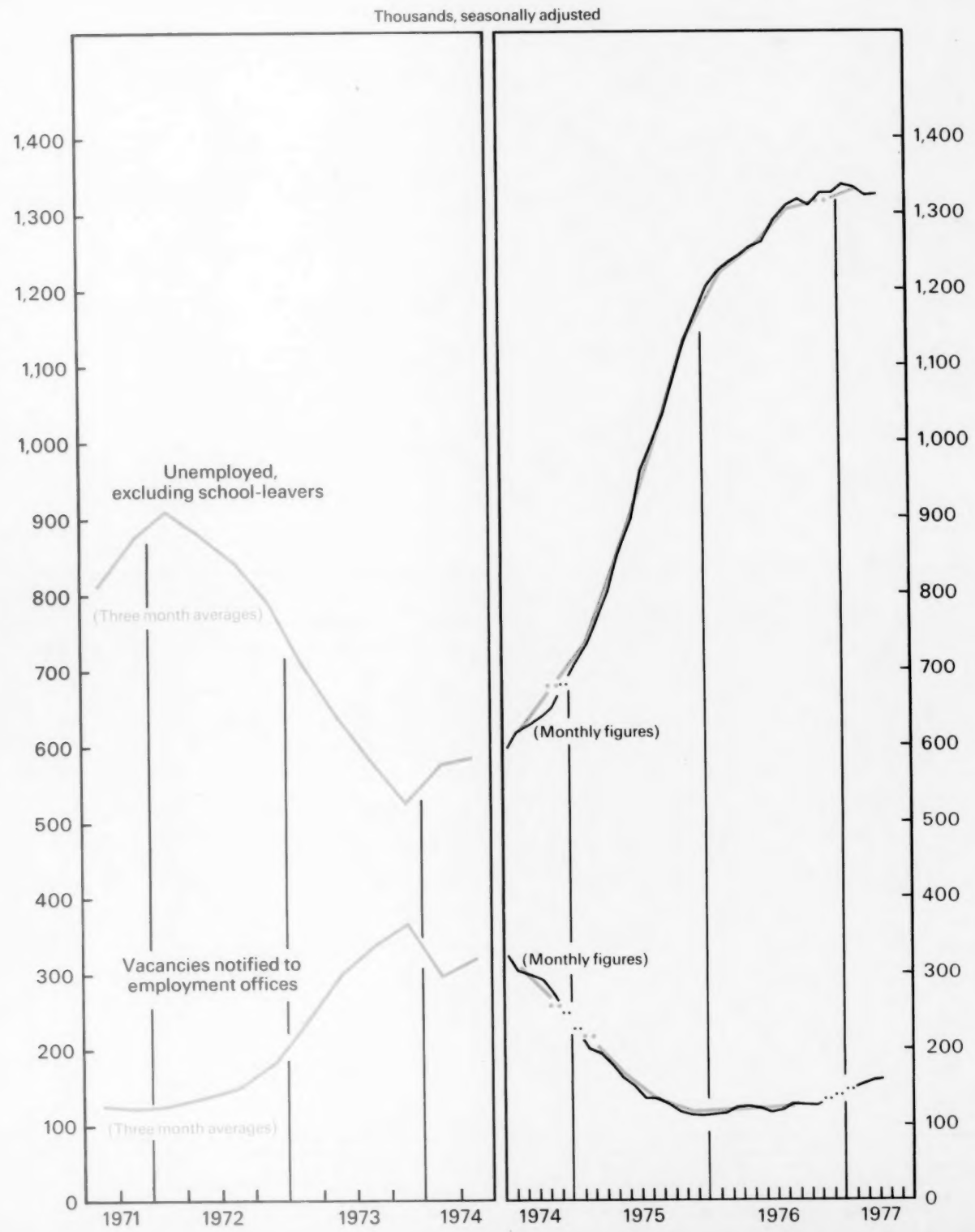
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1975 are provisional.


1970=100, seasonally adjusted
115
110
105
100
Gross domestic product
(output based)
Gross domestic product
per person employed
120
115
110
105
100
95
90
Manufacturing output
per person employed
Manufacturing
output
Average hours worked
per operative
in manufacturing (GB)
1971
1972
1973
1974
1975
1976
1977

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1970=100		Thousands
	Working population[2]	Employed labour force[2]	Employees in employment[2,3]	Thousands	Percentage of employees[4]	Vacancies notified to employment offices§	Employees in employment[2,3]	Average hours worked per operative	Total unemployed including school leavers
1966	25,667	25,338	23,240	353·3	*1·5*	256·7	103·1	100·8	361·0
1967	25,526	24,980	22,801	547·2	*2·3*	175·1	99·9	100·1	556·7
1968	25,412	24,826	22,640	574·4	*2·4*	189·5	99·0	100·9	583·3
1969	25,406	24,841	22,608	566·3	*2·4*	202·0	100·3	101·0	576·2
1970	25,336	24,732	22,458	602·0	*2·6*	188·3	100·2	100·0	612·2
1971	25,166	24,390	22,113	775·8	*3·4*	130·9	96·8	98·1	792·1
1972	25,243	24,384	22,114	854·9	*3·7*	147·3	93·4	97·6	875·6
1973	25,600	24,969	22,661	611·0	*2·6*	307·0	94·1	99·4	618·8
1974	25,659	25,063	22,793	599·7[5]	*2·6*[5]	301·6[5]	94·5	96·7	614·9[5]
1975	25,892	24,973	22,712	929·0	*3·9*	147·9[5]	89·9	95·7	977·6
1976	26,139	24,757	22,496	1,269·8[5]	*5·4*[5]	120·3[6]	87·6	96·0	1,358·8[5]
1972 *1*	25,295	24,371	22,098	910·1	*4·0*	126·1	93·5	95·6	968·9
2	25,243	24,384	22,114	879·0	*3·8*	135·2	93·4	98·0	877·5
3	25,347	24,495	22,210	841·0	*3·7*	149·2	93·3	98·2	851·7
4	25,434	24,657	22,362	789·4	*3·4*	178·5	93·2	98·6	804·4
1973 *1*	25,639	24,960	22,658	705·6	*3·0*	233·5	93·9	99·6	758·9
2	25,600	24,969	22,661	634·7	*2·7*	296·5	94·1	99·3	625·7
3	25,540	25,003	22,703	578·8	*2·5*	336·0	94·0	99·3	568·5
4	25,540	25,029	22,738	524·7	*2·3*	360·7	94·7	99·5	521·9
1974 *1*	25,572	24,985	22,705	574·5	*2·5*	292·6	94·2	93·1	624·9
2	25,659	25,063	22,793	581·6	*2·5*	317·9	94·5	98·5	570·2
3	25,772	25,150	22,878	613·0	*2·6*	308·2	94·4	97·8	628·3
4	..[7]	25,095	22,827	..[7]	..[7]	..[7]	93·4	97·5	..[7]
1975 *1*	25,771	24,993	22,730	735·3	*3·1*	..[7]	91·9	97·0	788·7
2	25,892	24,973	22,712	852·7	*3·6*	164·1	89·9	95·2	853·8
3	26,025[8]	24,914[8]	22,649[8]	998·2	*4·2*	132·8	88·8[8]	95·1	1,095·5
4	26,051	24,844	25,580	1,131·1	*4·8*	113·5	87·8	95·3	1,172·3
1976 *1*	26,018	24,756	22,494	1,220·3	*5·2*	116·7	87·4	95·8	1,297·5
2	26,139	24,757	22,496	1,252·1	*5·3*	119·4	87·6	95·6	1,294·9
3	26,166	24,746	22,483	1,305·5	*5·5*	123·6	87·8	96·0	1,473·7
4	26,155†	24,776†	22,517†	..[9]	..[9]	..[9]	87·9	96·6	..[9]
1977 *1*				1,330·2	*5·6*	..[9]		97·7	1,417·8
2									
1976 *A*	..	..	..	1,241·8	*5·3*†	122·5	87·3	95·6	1,281·1
M	..	..	..	1,253·3	*5·3*	120·0	87·3	95·7	1,271·8
J	..	..	..	1,261·1	*5·3*	115·7	87·6	95·6	1,331·8
J	..	..	..	1,288·9	*5·5*	118·6	87·8	95·8	1,463·5
A	..	..	..	1,308·8	*5·6*	126·2	87·6	96·1	1,502·0
S	..	..	..	1,318·7	*5·6*	125·9	87·8	96·0	1,455·7
O	..	..	..	1,307·9	*5·5*	124·5	88·0	96·4	1,377·1
N	..	..	..	..[9]	..[9]	..[9]	87·9	96·3	..[9]
D	..	..	..	1,325·7[10]	*5·6*[10]	..[9]	87·9	97·0	1,371·0[10]
1977 *J*	..	..	..	1,338·2	*5·7*	..[9]	88·1	97·5	1,448·2
F	..	..	..	1,331·4	*5·6*	150·5	88·3	98·0	1,421·8
M	..	..	..	1,321·1	*5·6*	157·3	88·5	97·6	1,383·5
A				1,322·6	*5·6*	158·5			1,392·3
M									
J									

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.
[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and H.M. Forces as well as employees in employment.
[3] From 1971, the employees in employment estimates are based on annual census of employment. For the years before 1971 estimates are taken from the continuous employment series published in the October 1975 issue of the *Department of Employment Gazette*. Annual estimates relate the mid-year. From June 1975 the employee in employment figures for the UK which are provisional until the publication of the results of the Census of Employment for June 1976, include a constant component for Northern Ireland.
[4] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): the latest figure available is that for mid-1975.
[5] The figures shown are averages of eleven months figures.
[6] The figures shown are averages of ten months figures.
[7] Figure not available due to industrial action. For further details see note to page 129 of the *Department of Employment Gazette*. February 1975
[8] Estimates after June 1975 are provisional.
[9] Because of industrial action by some staff in the Department of Employment group, figures for these months are not available
[10] Estimates.


Thousands, seasonally adjusted
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed, excluding school-leavers
(Three month averages)
Vacancies notified to employment offices
(Three month averages)
(Monthly figures)
(Monthly figures)
1971
1972
1973
1974
1974
1975
1976
1977

Regional unemployment rates[1]

Seasonally adjusted

Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1971 *3*	5·8	3·9	3·0	3·2	2·1	3·4	3·1
4	6·1	4·2	3·1	3·3	2·2	3·6	3·5
1972 *1*	6·4	4·4	3·2	3·3	2·3	3·7	3·8
2	6·1	4·2	3·1	2·9	2·2	3·5	3·7
3	6·0	4·0	2·9	2·7	2·1	3·2	3·4
4	5·7	3·7	2·7	2·5	1·9	3·0	3·1
1973 *1*	5·0	3·2	2·3	2·1	1·7	2·6	2·6
2	4·7	2·9	2·1	1·9	1·5	2·4	2·2
3	4·3	2·6	1·9	1·8	1·4	2·3	2·0
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·3	2·6	2·0	1·7	1·5	2·3	2·0
2	4·3	2·5	2·0	1·8	1·5	2·5	2·0
3	4·5	2·6	2·2	2·0	1·6	2·7	2·1
4	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]
1975 *1*	4·8	3·0	2·7	2·6	2·0	3·6	2·7
2	5·2	3·4	3·1	3·0	2·4	4·2	3·4
3	5·8	4·0	3·7	3·6	2·9	4·8	4·3
4	6·2	4·6	4·1	4·1	3·4	5·4	5·0
1976 *1*	6·5	5·0	4·4	4·5	3·8	6·0	5·4
2	6·8	5·1	4·4	4·6	3·9	6·0	5·3
3	7·1	5·3	4·7	4·8	4·2	6·2	5·6
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1977 *1*	7·4	5·2	4·7	5·0	4·2	6·5	5·3
2							

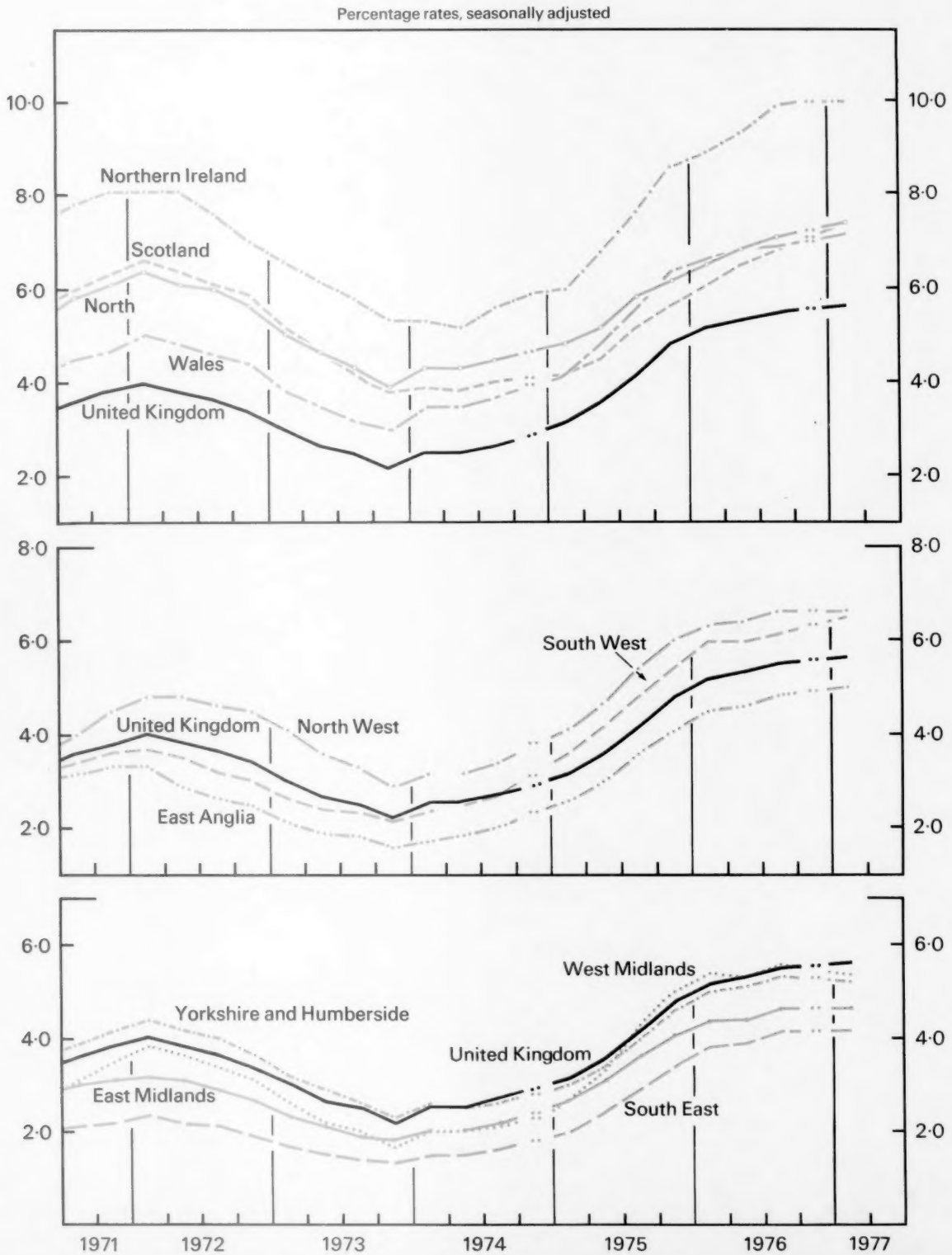
	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1971 *3*	4·0	4·5	6·0	3·5	7·8	3·6
4	4·5	4·7	6·3	3·7	8·1	3·8
1972 *1*	4·8	5·0	6·6	3·9	8·1	4·0
2	4·8	4·8	6·4	3·7	8·1	3·8
3	4·7	4·6	6·1	3·6	7·6	3·7
4	4·5	4·4	5·9	3·4	7·0	3·4
1973 *1*	4·1	3·8	5·2	3·0	6·6	3·0
2	3·6	3·5	4·7	2·7	6·2	2·7
3	3·3	3·2	4·2	2·4	5·7	2·5
4	2·9	3·0	3·8	2·2	5·3	2·3
1974 *1*	3·2	3·5	3·9	2·4	5·3	2·5
2	3·2	3·5	3·8	2·4	5·2	2·5
3	3·4	3·7	3·9	2·6	5·6	2·6
4	..[3]	..[3]	..[3]	..[3]	5·9	..[3]
1975 *1*	4·1	4·2	4·2	3·1	6·0	3·1
2	4·7	4·8	4·5	3·5	6·8	3·6
3	5·4	5·6	5·2	4·2	7·7	4·2
4	6·0	6·4	5·7	4·7	8·6	4·8
1976 *1*	6·3	6·7	6·1	5·1	8·9	5·2
2	6·4	6·8	6·5	5·2	9·3	5·3
3	6·6	6·9	6·8	5·4	9·9	5·5
4	..[4]	..[4]	..[4]	..[4]	..[4]	..[4]
1977 *1*	6·6	7·2	7·4	5·5	10·0	5·6
2						

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is that for mid-1975.

[2] The boundaries of the standard regions were revised in April 1974.

[3] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.

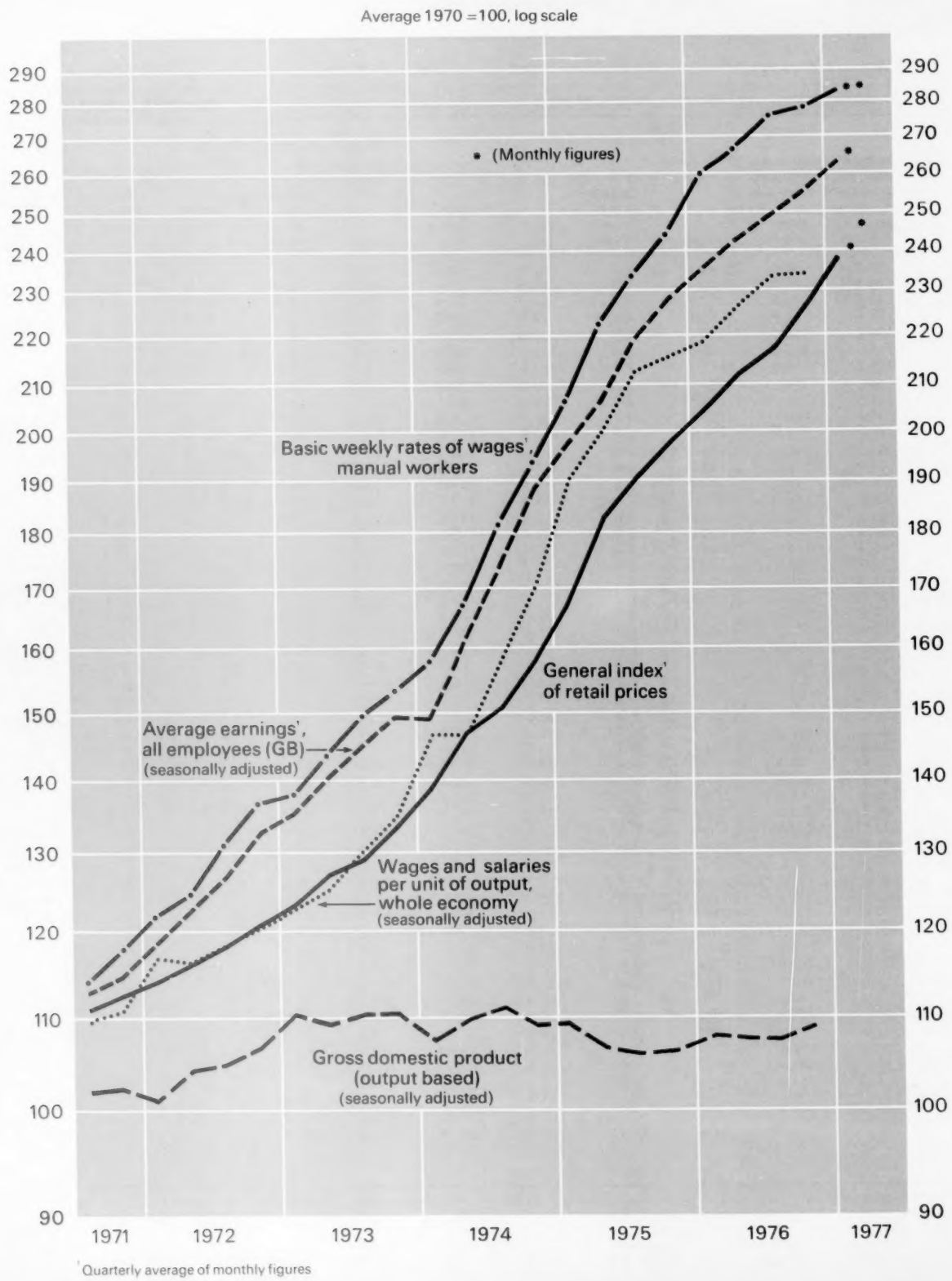
[4] Because of industrial action by some staff in the Department of Employment group, figures are not available.


Percentage rates, seasonally adjusted
10·0
8·0
6·0
4·0
2·0
Northern Ireland
Scotland
North
Wales
United Kingdom
South West
United Kingdom
North West
East Anglia
West Midlands
Yorkshire and Humberside
United Kingdom
East Midlands
South East
1971
1972
1973
1974
1975
1976
1977

Wage rates and earnings

	Unadjusted		Seasonally adjusted					
	31 July 1972=100[1]		January 1970=100				1970=100	
	Basic weekly wage rates (manual workers)		Average earnings (GB) (wages and salaries combined)				Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	All industries and services covered§	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1966	61·5	61·2	79·0	*6·6*	78·3	*6·2*	84·1	82·9
1967	63·9	63·6	81·8	*3·6*	81·1	*3·6*	85·6	82·9
1968	68·1	68·4	88·2	*7·8*	87·8	*8·2*	87·6	83·1
1969	71·7	72·1	95·2	*7·8*	94·9	*8·1*	91·3	88·4
1970	78·8	79·4	106·7	*12·1*	107·0	*12·7*	100·0	100·0
1971	89·0	89·3	118·7	*11·3*	118·9	*11·2*	108·7	108·5
1972	101·3	101·5	134·1[2]	. .[3]	134·2[2]	. .[3]	117·9	112·9
1973	115·2	114·6	152·1	. .[3]	151·5	. .[3]	128·2	122·3
1974	138·0	134·3	179·1	*17·8*	177·5	*17·1*	155·1	149·0
1975	178·7	174·4	226·6	*26·6*	223·9	*26·2*	204·5	196·8
1976	213·2	209·0	261·9	*15·6*	260·8	*16·5*	227·3	
1971 *3*	89·8	90·0	120·4	*11·1*	120·4	*10·6*	109·7	109·0†
4	92·8	92·1	122·5	*9·5*	122·8	*9·1*	110·8	109·5
1972 *1*	96·0	95·5	126·4[3]	. .[3]	126·8[3]	. .[3]	116·9	. .[3]
2	98·1	98·2	130·7	*11·6*	131·4	*11·9*	116·1	112·0
3	103·4	104·6	134·9	*12·1*	135·7	*12·7*	118·3	114·3
4	107·9	107·6	141·5	*15·5*	140·5	*14·4*	120·4	114·8
1973 *1*	108·7	108·1	144·4	. .[3]	143·7	. .[3]	122·9	115·6
2	113·4	111·7	150·2	*14·9*	149·6	*13·8*	125·3	120·7
3	118·1	117·8	154·5	*14·5*	153·6	*13·2*	130·2	124·0
4	120·6	120·7	159·2	*12·5*	159·1	*13·3*	134·5	129·0
1974 *1*	124·3	122·7	157·8[4]	*9·2*[4]	157·4[4]	*9·5*[4]	146·9	132·8
2	131·7	128·0	172·5	*14·9*	171·2	*14·5*	146·8	141·7
3	143·2	139·4	185·1	*19·8*	183·9	*19·7*	157·0	152·9
4	152·7	147·1	199·5	*25·3*	197·4	*24·1*	169·5	168·9
1975 *1*	162·7	155·1	209·6	*32·9*	207·5	*31·8*	190·1	178·8
2	175·3	171·9	220·1	*27·6*	216·9	*26·7*	200·0	193·8
3	184·3	180·5	234·0	*26·4*	230·6	*25·4*	212·5	204·9
4	192·6	190·1	242·8	*21·7*	240·6	*21·9*	215·6	209·9
1976 *1*	204·2	201·5	250·9	*19·7*	249·1	*20·1*	217·7	213·9
2	211·5	209·0	258·6	*17·5*	258·6	*19·2*	226·0	217·7
3	217·8	212·5	265·5	*13·5*	264·4	*14·7*	232·7	224·4
4	219·3	213·1	272·7	*12·3*	271·4	*12·8*	233·0	228·1
1977 *1*	223·3†	215·6	280·2[5]	*11·7*[5]	278·5[5]	*17·8*[5]		
2								
1976 *J*	200·9	197·7	248·3	*20·6*	246·2	*20·8*	. .	213·6†
F	205·1	203·1	250·0	*19·0*	248·1	*19·5*	. .	213·5
M	206·7	203·8	254·4	*19·4*	252·8	*19·9*	. .	214·5
A	208·8	206·8	255·0	*18·0*	254·5	*19·5*	. .	214·7
M	210·5	209·1	259·6	*17·5*	259·7	*19·3*	. .	218·1
J	215·3	211·2	261·2	*17·0*	261·6	*18·8*	. .	220·2
J	217·7	212·3	263·1	*13·9*	262·2	*15·2*	. .	224·7
A	217·8	212·5	267·2	*14·2*	265·5	*14·9*	. .	223·6
S	217·9	212·7	266·1	*12·2*	265·6	*13·9*	. .	224·9
O	218·2	212·7	269·0	*12·4*	268·4	*13·3*	. .	224·9
N	219·4	213·3	272·2	*12·9*	269·4	*12·8*	. .	228·6
D	220·2	213·3	277·1	*11·7*	276·3	*12·2*	. .	230·9
1977 *J*	222·5†	215·4	278·1	*12·0*	276·5	*12·3*	. .	233·0
F	223·5	215·6	278·7†	*11·2*†	277·4†	*11·8*†		
M	223·9	215·9†	283·9[5]	*11·6*[5]	281·7[5]	*11·4*[5]		
A	224·5	216·6						
M								
J								

[1] Prior to July 1972 the series was based on 31 January 1956=100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[3].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output or index of average earnings has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[5] Provisional.



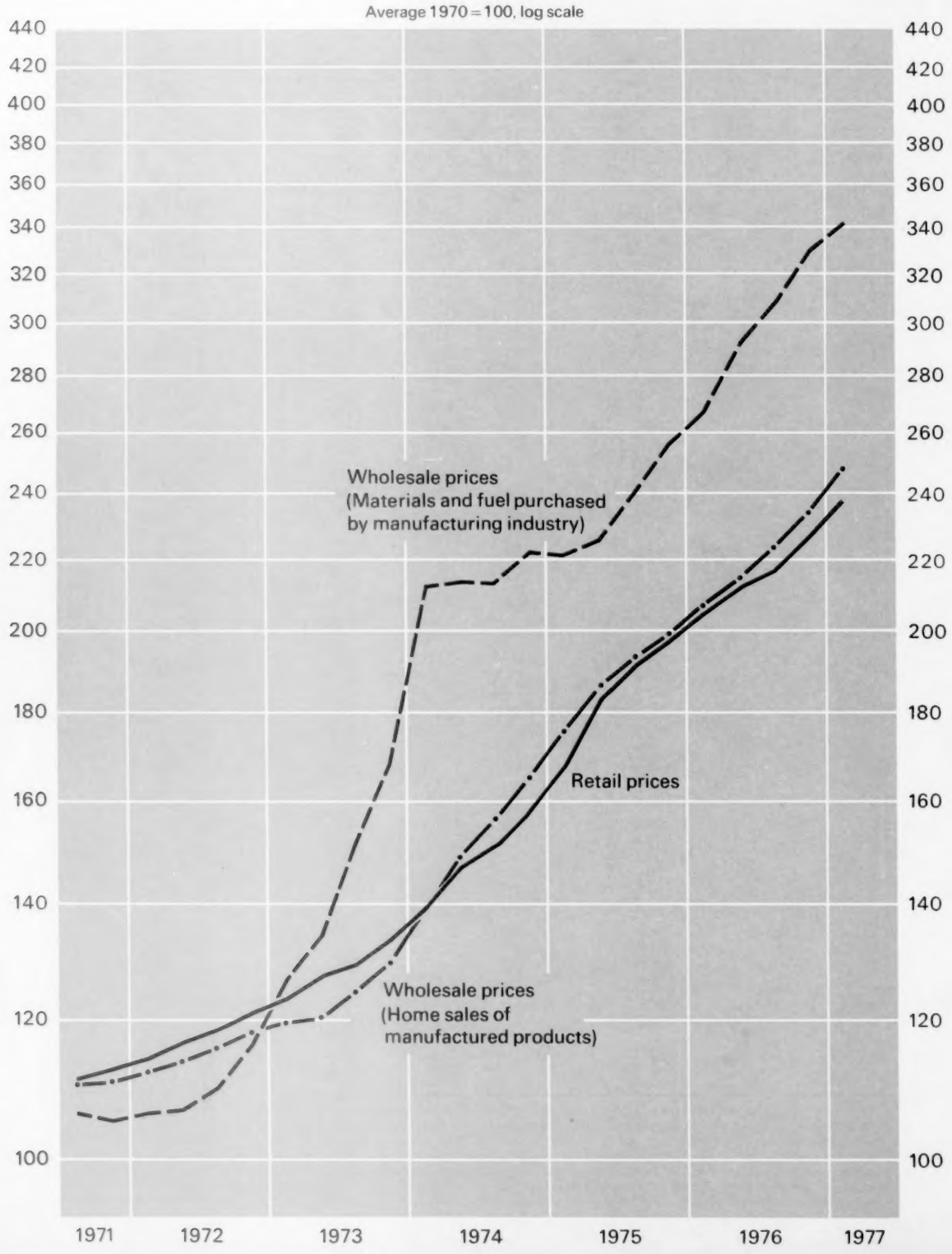
'Quarterly average of monthly figures

Prices

Unadjusted

		Average 1970=100										Average 1970=100 p
		Wholesale prices index		General index of retail prices						Pensioner price index[1]		
		Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items				All items other than seasonal food		One person household	Two person household	Purchasing power of the pound[4]
				Index	*Percentage increase on year earlier*	Total food	Total non-food	Index	*Percentage increase on year earlier*			
1966		84·2	85·6	83·1	*3·9*	82·5	83·3	83·2	*3·7*	83·0	83·0	120½
1967		83·8	86·5	85·2	*2·5*	84·6	85·4	85·2	*2·4*	84·9	85·0	117½
1968		91·5	89·9	89·2	*4·7*	87·9	89·6	89·3	*4·8*	88·8	88·8	112
1969		95·0	93·4	94·0	*5·4*	93·5	94·2	93·9	*5·2*	93·5	93·7	106½
1970		100·0	100·0	100·0	*6·4*	100·0	100·0	100·0	*6·5*	100·0	100·0	100
1971		104·6	109·0	109·4	*9·4*	111·1	108·9	109·5	*9·5*	110·1	109·9	91½
1972		109·2	114·8	117·2	*7·1*	120·9	116·0	117·0	*6·9*	118·5	118·0	85½
1973		144·5	123·2	128·0	*9·2*	139·1	124·4	126·7	*8·3*	130·0	130·1	78
1974		215·3	152·0	148·5	*16·1*	164·2	143·4	147·0	*16·0*	150·9	151·1	67½
1975		235·4	188·7	184·4	*24·2*	206·1	177·5	182·6	*24·2*	189·8	189·4	54
1976		299·0	219·6	215·0	*16·5*	247·4	205·1	211·4	*15·8*	226·2	225·0	46½
1971	*1*	103·0	106·3	105·5	*8·6*	105·6	105·4	105·6	*8·8*	105·9	105·8	95
	2	104·9	108·7	109·3	*9·8*	111·5	108·6	109·0	*10·2*	109·4	109·3	91½
	3	105·6	110·3	110·8	*10·1*	112·8	110·1	110·9	*10·0*	111·6	111·3	90
	4	104·8	110·8	112·2	*9·2*	114·4	111·5	112·3	*8·9*	113·6	113·0	89
1972	*1*	105·6	112·1	113·9	*8·0*	117·8	112·6	113·9	*7·9*	115·9	115·3	88
	2	106·1	113·5	116·0	*6·2*	119·0	115·0	115·9	*6·3*	117·3	116·7	86
	3	109·4	115·6	118·0	*6·5*	122·3	116·5	117·8	*6·2*	119·1	118·8	85
	4	115·6	118·0	120·8	*7·7*	124·7	119·6	120·7	*7·4*	122·0	121·4	83
1973	*1*	126·0	119·5	123·0	*8·0*	131·1	120·3	122·2	*7·3*	125·0	124·9	81½
	2	133·3	120·1	126·9	*9·3*	137·4	123·5	125·2	*8·1*	129·0	129·1	79
	3	150·9	124·2	128·8	*9·2*	139·8	125·3	127·7	*8·5*	130·2	130·4	77½
	4	167·6	129·1	133·2	*10·3*	148·1	128·5	131·8	*9·2*	135·7	135·9	75
1974	*1*	212·5	138·3	138·8	*12·9*	156·2	133·3	137·2	*12·3*	142·2	142·2	72
	2	213·7	148·9	147·0	*15·9*	161·7	142·2	145·3	*16·0*	148·0	148·8	68
	3	212·9	156·1	150·7	*17·0*	164·5	146·1	149·4	*17·0*	152·7	152·9	66½
	4	222·1	164·9	157·5	*18·2*	174·3	152·0	156·1	*18·5*	160·7	160·5	63½
1975	*1*	220·9	176·0	167·0	*20·3*	188·5	160·2	165·6	*20·7*	170·6	170·3	60
	2	225·6	186·3	182·7	*24·3*	205·9	175·4	180·7	*24·4*	188·9	188·5	54½
	3	239·3	193·4	190·7	*26·5*	211·3	184·0	188·7	*26·3*	195·8	195·7	52½
	4	256·1	199·1	197·3	*25·3*	218·7	190·3	195·2	*25·0*	203·9	203·1	50½
1976	*1*	266·5	206·9	204·5	*22·5*	234·2	195·3	200·9	*21·3*	214·3	213·2	49
	2	292·6	214·4	211·9	*16·0*	242·6	202·6	207·9	*15·1*	222·7	221·3	47
	3	306·8	223·2	216·8	*13·7*	245·5	207·8	214·0	*13·4*	227·0	225·8	46
	4	329·9	233·9[5]	226·8	*15·0*	267·1	214·7	222·6	*14·0*	240·9	239·5	44
1977	*1*	341·5†	248·0[5]	238·2	*16·5*	385·7	224·3	233·1	*16·1*	251·8	251·7	42
	2											
1976	*J*	261·5	204·8	202·4	*23·4*	229·4	193·9	199·4	*22·5*	..	..	49½
	F	263·9	207·3	204·9	*22·9*	235·3	195·5	201·3	*21·6*	..	..	49
	M	274·2	208·6	206·1	*21·2*	237·9	196·4	202·0	*19·8*	..	..	48½
	A	286·3	211·5	210·0	*18·9*	242·4	200·3	205·6	*17·6*	..	..	47½
	M	292·0	214·8	212·3	*15·4*	243·0	202·9	208·3	*14·4*	..	..	47
	J	299·6	217·0	213·4	*13·8*	242·4	204·5	209·9	*13·3*	..	..	47
	J	302·0	219·8	213·8	*12·9*	237·3	206·1	211·8	*13·2*	..	..	47
	A	304·0	223·4	216·8	*13·8*	245·0	208·0	214·1	*13·5*	..	..	46
	S	314·4	226·3	219·7	*14·3*	254·3	209·2	216·1	*13·6*	..	..	45½
	O	327·7	230·0	223·7	*14·7*	261·9	212·2	219·9	*14·0*	..	..	44½
	N	331·8	234·6	226·8	*15·0*	267·1	214·8	222·6	*14·0*	..	..	44
	D	330·2	237·2	229·8	*15·1*	272·4	217·2	225·3	*14·2*			43½
1977	*J*	337·8†	244·9[5]	235·9	*16·6*	283·2	222·0	230·9	*15·8*	..	..	42½
	F	339·5	248·2[5]	238·2	*16·2*	285·4	224·4	233·0	*15·8*	..	..	42
	M	347·2	250·8[5]	240·5	*16·7*	288·4	226·4	235·4	*16·6*	..	..	41½
	A	349·1[5]	255·1[5]	246·6	*17·5*	293·3	232·9	241·4	*17·4*	..	..	40½
	M											
	J											

[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products. Index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1970 = 100, log scale
440
420
400
380
360
340
320
300
280
260
240
220
200
180
160
140
120
100
Wholesale prices
(Materials and fuel purchased
by manufacturing industry)
Retail prices
Wholesale prices
(Home sales of
manufactured products)
1971
1972
1973
1974
1975
1976
1977

Visible trade

	Seasonally adjusted		Unadjusted					
	1970=100		1970=100				1970=100	December 1971[1]=100
	Volume indices[2]		Unit value indices[2]			Trade competitiveness index[4]	World commodity prices index[5]	Sterling effective exchange rate
	Exports	Imports	Exports	Imports	Terms of trade[3]			
1966	78·0†	78·1	82·2	82·6	99·6	104·5	81	..
1967	77·6	84·9	83·4	82·8	100·8	104·1	80	..
1968	87·3	93·6	90·0	92·7	97·1	98·1	91	..
1969	95·9	94·4	93·0	95·6	97·3	98·0[6]	96	..
1970	100·0	100·0	100·0	100·0	100·0	100·0	100	..
1971	106·7	104·2	105·6	104·7	100·9	102·2	105	..
1972	107·1	116·7	111·1	109·7	101·3	102·6	116	95·2
1973	122·2	133·8	126·0	139·6	90·3	94·1	168	86·3
1974	131·2	136·2	162·7	216·7	75·1	93·1	295	83·6
1975	125·6	126·4	198·5	245·0	81·0	96·5	300	77·2
1976	135·9	134·2	240·6	299·4	80·4		385	65·4
1971 *3*	109·8	102·3	107·3	106·5	100·7	102·5	106	..
4	107·5	106·1	109·0	105·8	103·0	104·3†	104	..
1972 *1*	104·3	109·9	110·2	107·2	102·8	105·8	109	99·6
2	109·4	117·3	110·7	107·7	102·8	105·4	110	99·0
3	94·0	110·4	114·0	111·5	102·2	101·6	119	92·1
4	120·8	129·1	115·1	116·6	98·7	97·8	127	90·2
1973 *1*	117·5	128·8	119·3	123·4	96·7	97·3	141	88·8
2	120·4	130·2	123·8	133·1	93·0	97·8	153	89·3
3	124·4	135·6	129·1	146·7	88·0	91·2	174	84·2
4	126·5	140·4	136·1	161·7	84·2	90·7	205	83·0
1974 *1*	127·1	135·6	147·2	194·2	75·8	91·2	298	83·1
2	134·0	138·8	159·9	218·0	73·3	93·5	287	84·7
3	134·6	136·8	168·1	223·8	75·1	93·8	292	84·2
4	129·2	133·7	175·8	231·0	76·1	93·7	303	82·6
1975 *1*	128·8	127·9	184·9	239·8	77·1	93·9†	287	81·7
2	122·6	122·0	193·4	240·4	80·4	95·5	284	79·1
3	121·3	128·3	202·2	246·4	82·1	96·7	306	75·2
4	129·6	127·4	210·1	259·7	80·9	97·8	324	73·0
1976 *1*	131·5	126·1	219·0	268·3	81·6	99·3[7]	338	72·0
2	137·1	134·6	234·2	291·7	80·3	94·5[7]	381	65·8
3	134·2	137·9	247·4	307·3	80·5		395	64·1
4	140·8	138·1	261·7	330·0	79·3		422[7]	59·6
1977 *1*[7]	140·3†	142·0†	274·5	339·4	80·9		446[8]	61·8
2								
1976 *J*	131·6	127·7	215·6	264·8	81·4	..	..	72·8
F	129·6	126·6	218·9	267·8	81·7	..	..	72·7
M	133·4	123·9	222·6	272·3	81·7	..	..	70·5
A	135·6	132·1	228·4	283·6	80·5	..	..	67·2
M	137·2	134·7	233·9	292·3	80·0	..	..	65·8
J	138·5	137·1	240·4	299·2	80·3	..	..	64·3
J	130·4	139·4	242·6	304·1	79·8	..	..	65·1
A	134·9	133·7	247·9	306·0	81·0	..	..	64·8
S	137·3	140·4	251·7	311·8	80·7	..	..	62·5
O	140·8	140·6	256·4	322·0	79·6	..	..	59·2
N	138·1	140·1	261·8	332·7	78·7	..	..	59·1
D	143·3	133·6	266·9	335·4	79·6	..	..	60·5
1977 *J*	140·6	153·6	272·7	335·1	81·4	..	..	61·8
F	138·0	133·7†	273·9	338·9	80·8	..	..	61·7
M[7]	142·2†	138·8	276·8	344·1	80·4	..	..	61·9
A	148·4	138·1	277·4	348·1	79·7	..	..	61·7
M								
J								

[1] This series has been revised. For further information an article describing the background to, and basis of, this revised calculation is published in the March issue of *Economic Progress Report* prepared by HM Treasury

[2] On a balance of payments basis.

[3] Unit value index for exports expressed as a percentage of unit value index for imports.

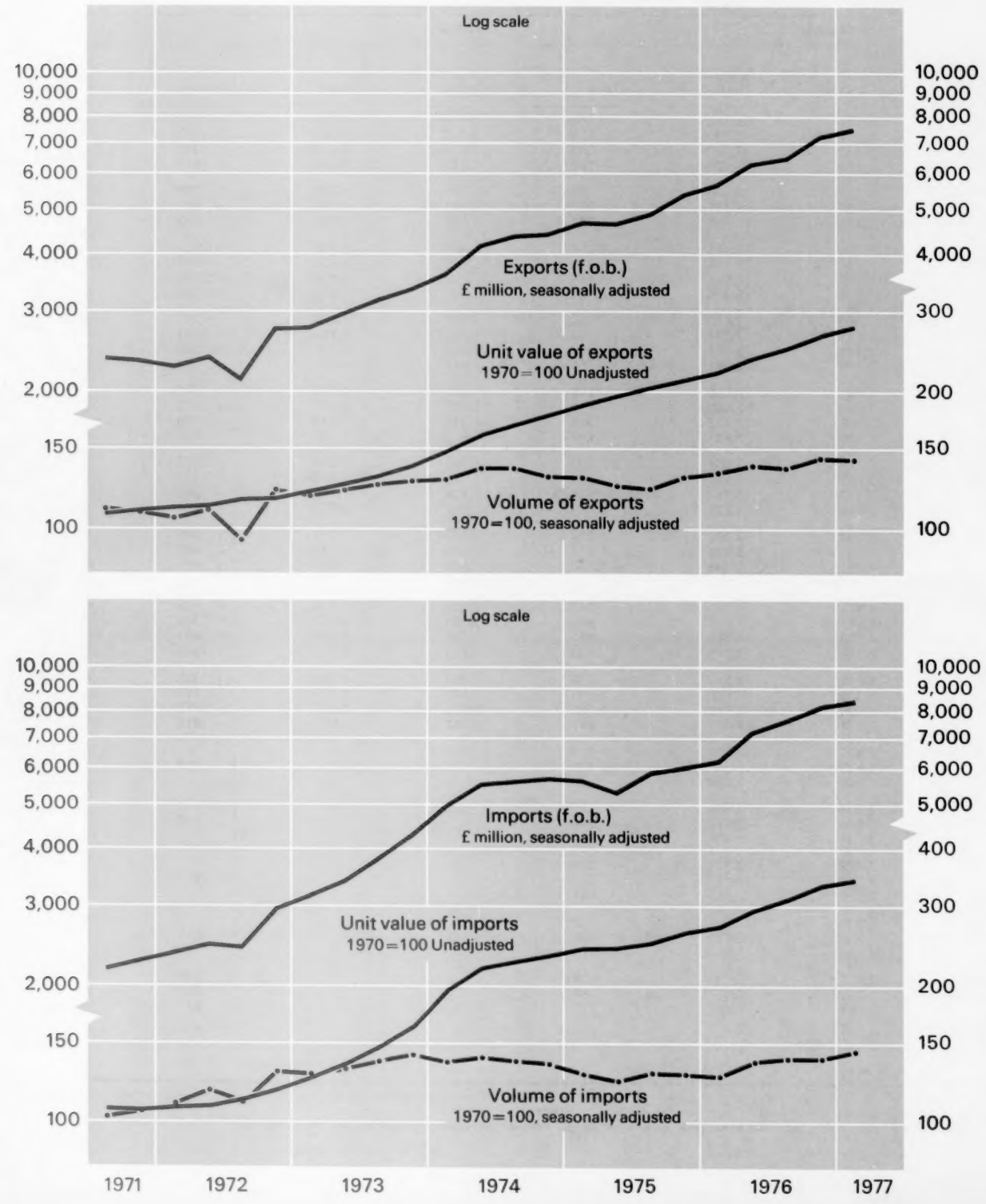
[4] The ratio of UK to weighted average export (dollar) prices for major competitors in respect of manufactured goods.

[5] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.

[6] Differences in quarterly and annual averages for 1969 and 1970 are due to the effects of adjusting the UK series for export over-valuation.

[7] Provisional.

[8] This figure is a projection by the Department of Industry.


Log scale
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
150
100
Exports (f.o.b.)
£ million, seasonally adjusted
Unit value of exports
1970=100 Unadjusted
Volume of exports
1970=100, seasonally adjusted
300
200
Log scale
Imports (f.o.b.)
£ million, seasonally adjusted
Unit value of imports
1970=100 Unadjusted
Volume of imports
1970=100, seasonally adjusted
400
1971
1972
1973
1974
1975
1976
1977

Balance of payments: current account

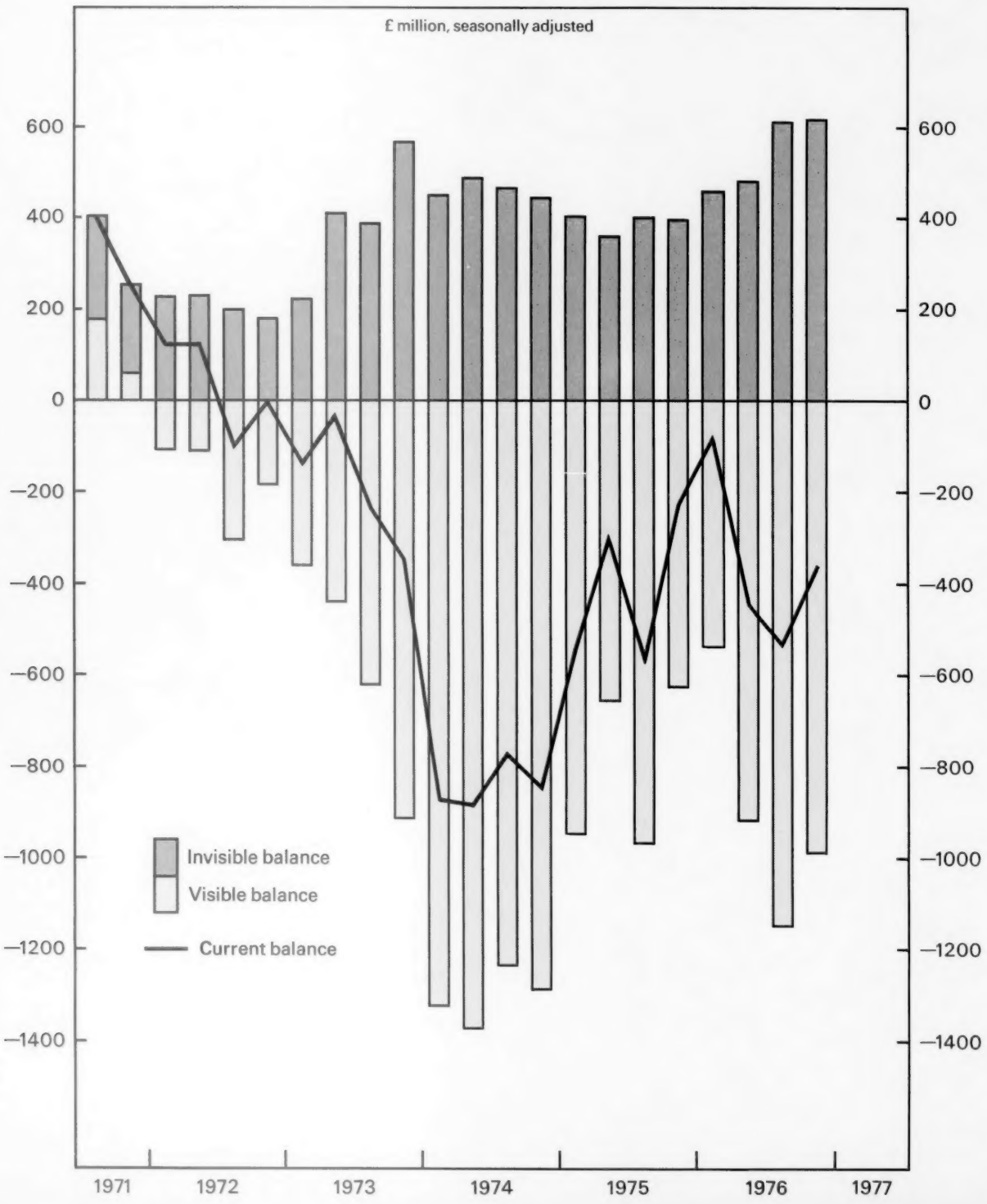
Seasonally adjusted

£ million

	Visible trade[1]			Invisibles			
	Exports (f.o.b.) §	Imports (f.o.b.) §	Total	Credits	Debits	Balance	Current balance
1966	5,276	5,342	— 66	2,955	2,788	+ 167	+ 101
1967	5,241	5,796	— 555	3,245	2,989	+ 256	— 299
1968	6,433	7,100	— 667	3,809	3,414	+ 395	— 272
1969	7,269	7,425	— 156	4,315	3,699	+ 616	+ 460
1970	8,121	8,146	— 25	5,006	4,248	+ 758	+ 733
1971	9,061	8,781	+ 280	5,550	4,743	+ 807	+1,087
1972	9,449	10,151	— 702	6,101	5,268	+ 833	+ 131
1973	12,115	14,449	—2,334	8,390	6,808	+1,582	— 752
1974	16,450	21,671	—5,221	10,165	8,324	+1,841	—3,380
1975	19,379	22,574	—3,195	11,090	9,530	+1,560	—1,635
1976	25,294	28,886	—3,592	13,597	11,428	+2,169	—1,423
1971 *1*	2,066	2,119	— 53	1,351	1,154	+ 197	+ 144
2	2,331	2,234	+ 97	1,386	1,195	+ 191	+ 288
3	2,348	2,171	+ 177	1,402	1,177	+ 225	+ 402
4	2,316	2,257	+ 59	1,411	1,217	+ 194	+ 253
1972 *1*	2,244	2,350	— 106	1,481	1,255	+ 226	+ 120
2	2,358	2,466	— 108	1,499	1,270	+ 229	+ 121
3	2,108	2,412	— 304	1,548	1,349	+ 199	— 105
4	2,739	2,923	— 184	1,573	1,394	+ 179	— 5
1973 *1*	2,747	3,107	— 360	1,781	1,559	+ 222	— 138
2	2,921	3,360	— 439	2,073	1,666	+ 407	— 32
3	3,132	3,753	— 621	2,124	1,738	+ 386	— 235
4	3,315	4,229	— 914	2,412	1,845	+ 567	— 347
1974 *1*	3,584	4,908	—1,324	2,467	2,019	+ 448	— 876
2	4,131	5,504	—1,373	2,529	2,043	+ 486	— 887
3	4,357	5,593	—1,236	2,521	2,057	+ 464	— 772
4	4,378	5,666	—1,288	2,648	2,205	+ 443	— 845
1975 *1*	4,644	5,591	— 947	2,658	2,255	+ 403	— 544
2	4,611	5,266	— 655	2,733	2,373	+ 360	— 295
3	4,808	5,775	— 967	2,786	2,385	+ 401	— 566
4	5,316	5,942	— 626	2,913	2,517	+ 396	— 230
1976 *1*	5,611	6,149	— 538	3,057	2,599	+ 458	— 80
2	6,209	7,128	— 919	3,247	2,767	+ 480	— 439
3	6,400	7,548	—1,148	3,551	2,939	+ 612	— 536
4	7,074	8,061	— 987	3,742	3,123	+ 619	— 368
1976 *J*	1,837	2,050	— 213	..	..		..
F	1,832	2,061	— 229	..	..	+ 458	..
M	1,942	2,038	— 96	..	..		..
A	2,003	2,254	— 251	..	..		..
M	2,068	2,414	— 346	..	..	+ 480	..
J	2,138	2,460	— 322	..	..		..
J	2,028	2,532	— 504	..	..		..
A	2,152	2,435	— 283	..	..	+ 612	..
S	2,220	2,581	— 361	..	..		..
O	2,306	2,624	— 318	..	..		..
N	2,320	2,775	— 455	..	..	+ 619	..
D	2,448	2,662	— 214	..	..		..
1977 *J*	2,471†	3,000†	— 529†	..	..	+ 220[2]	— 309†
F	2,432	2,618	— 186	..	..	+ 220[2]	+ 34
M	2,489	2,728	— 239	..	..	+ 220[2]	— 19
A	2,627	2,736	— 109	..	..	+ 220[2]	+ 111
M							
J							

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Industry.

[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.


£ million, seasonally adjusted
600
400
200
0
−200
−400
−600
−800
−1000
−1200
−1400
Invisible balance
Visible balance
Current balance
1971
1972
1973
1974
1975
1976
1977

Analysis of capital flows and official financing[1]

£ million

Not seasonally adjusted

		Investment and other capital flows									Official financing	
		Current balance	Official long-term capital	Overseas investment in UK public sector[2]	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks[2]	Change in external sterling liabilities	Trade credit[3] and other short-term flows	Balancing item and other capital flows[4]	Balance for official financing[5]	Allocation of SDR and gold subscription to IMF	Drawings on (+)/additions to (−) official reserves[6]	Other transactions (net)[7]
1966		+ 101	− 81	+ 35	− 39	−192	− 101	−200	− 70	− 547	− 44	− 34	+ 625
1967		− 299	− 59	+ 54	− 96	+ 36	− 284	−146	+123	− 671	—	+ 115	+ 556
1968		− 272	+ 17	+ 16	− 160	− 15	− 308	−305	−383	−1,410	—	+ 114	+1,296
1969		+ 460	− 99	− 56	− 6	− 38	+ 261	−227	+392	+ 687	—	− 44	− 643
1970		+ 733	−204	− 10	+ 49	+472	+ 459	−193	− 19	+1,287	+133	− 125	−1,295
1971		+1,087	−273	+107	+ 216	+471	+1,422	−126	+242	+3,146	+125	−1,536	−1,735
1972		+ 131	−255	+113	− 610	+471	+ 196	−608	−703	−1,265	+124	+ 692	+ 449
1973		− 752	−254	+171	− 196	+535	+ 154	−384	− 45	− 771	—	− 228	+ 999
1974		−3,380	−276	+250	+1,129	−294	+1,558	−686	+ 53	−1,646	—	− 105	+1,751
1975		−1,635	−288	+ 43	+ 422	+238	− 67	+ 12	−190	−1,465	—	+ 655	+ 810
1976		−1,423	−156	+203	+ 201	+112	−1,152	−1,146	−267	−3,628	—	+ 853	+2,775
1970	*1*	+ 248	− 49	+ 3	+ 36	+125	+ 283	+ 66	+203	+ 915	+171	− 76	−1,010
	2	+ 178	− 37	− 3	+ 123	+123	+ 157	−136	−178	+ 227	—	− 34	− 193
	3	+ 80	− 20	− 23	− 84	− 24	+ 3	− 13	−121	− 202	—	+ 52	+ 150
	4	+ 227	− 98	+ 13	− 26	+248	+ 16	−110	+ 77	+ 347	− 38	− 67	− 242
1971	*1*	+ 70	− 46	+ 70	+ 132	+ 84	+ 285	+ 70	+257	+ 922	+125	− 204	− 843
	2	+ 360	− 43	+ 7	+ 44	+148	+ 277	− 97	− 93	+ 603	—	− 126	− 477
	3	+ 387	− 35	+ 5	+ 54	+ 28	+ 337	+ 88	−196	+ 668	—	− 576	− 92
	4	+ 270	−149	+ 25	− 14	+211	+ 523	−187	+274	+ 953	—	− 630	− 323
1972	*1*	− 10	− 43	+ 64	− 191	+114	+ 211	−163	+ 75	+ 57	+124	− 191	+ 10
	2	+ 235	− 39	+ 20	− 194	−132	− 138	−374	−423	−1,045	—	+ 46	+ 999
	3	− 136	− 17	+ 22	− 77	+199	− 92	− 47	+ 69	− 79	—	+ 639	− 560
	4	+ 42	−156	+ 7	− 148	+290	+ 215	− 24	−424	− 198	—	+ 198	—
1973	*1*	− 321	− 55	+ 44	− 17	+ 1	+ 170	− 67	+272	+ 27	—	− 72	+ 45
	2	+ 29	− 31	+ 20	+ 30	+162	+ 166	+ 9	−286	+ 99	—	− 380	+ 281
	3	− 183	− 27	+ 21	− 51	+ 36	− 415	−208	+209	− 618	—	+ 254	+ 364
	4	− 277	−141	+ 86	− 158	+336	+ 233	−118	−240	− 279	—	− 30	+ 309
1974	*1*	− 932	− 53	+ 32	+ 564	− 61	+ 179	−153†	+ 85	− 339	—	+ 33	+ 306
	2	− 823	− 42	+107	+ 299	+ 56	+ 386	− 87	−215	− 319	—	− 116	+ 435
	3	− 824	− 15	+ 30	+ 356	−346	+ 616	−123	+306	—	—	− 189	+ 189
	4	− 801	−166	+ 81	− 90	+ 57	+ 377	−323	−123	− 988	—	+ 167	+ 821
1975	*1*	− 664	− 73	+ 66	− 33	− 80	+ 247	− 4	+215	− 326	—	− 142	+ 468
	2	− 326	− 39	—	− 334	+774	− 17	−265	−365	− 572	—	+ 410	+ 162
	3	− 541	− 26	− 52	+ 606	− 14	− 379	+238	− 45	− 213	—	+ 170	+ 43
	4	− 104	−150	+ 29	+ 183	−442	+ 82	+ 43	+ 5	− 354	—	+ 217	+ 137
1976	*1*	− 233	− 36	+ 9	+ 234	+159	− 75	−549	−187	− 678	—	− 178	+ 856
	2	− 480	− 26	+ 13	− 129	− 6	− 932	−388	− 7	−1,955	—	+ 354	+1,601
	3	− 374	− 10	+ 58	− 77	−172	− 137	−176	+ 26	− 862	—	+ 61	+ 801
	4	− 336	− 84	+123	+ 173	+131	− 8	− 33	− 99	− 133	—	+ 616	− 483

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues.
[2] Excluding public sector borrowing under the exchange cover scheme which is included under official financing.
[3] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[4] Capital transfers and EEA loss on forward commitments.
[5] Balance of current and capital transactions, including unidentified transactions covered by official financing other than that relating to IMF gold subscriptions and the allocation of SDRs.
[6] From 23 August 1971, valued in sterling at transactions rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[7] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government and by the public sector. under the exchange cover scheme; in 1966 and 1967 includes the transfer from dollar portfolio to reserves.

£ million, unadjusted
1000
750
500
250
0
−250
−500
−750
−1000
−1250
−1500
−1750
−2000
−2250
Balance for official financing
Current balance
1971
1972
1973
1974
1975
1976
1977

Money stock

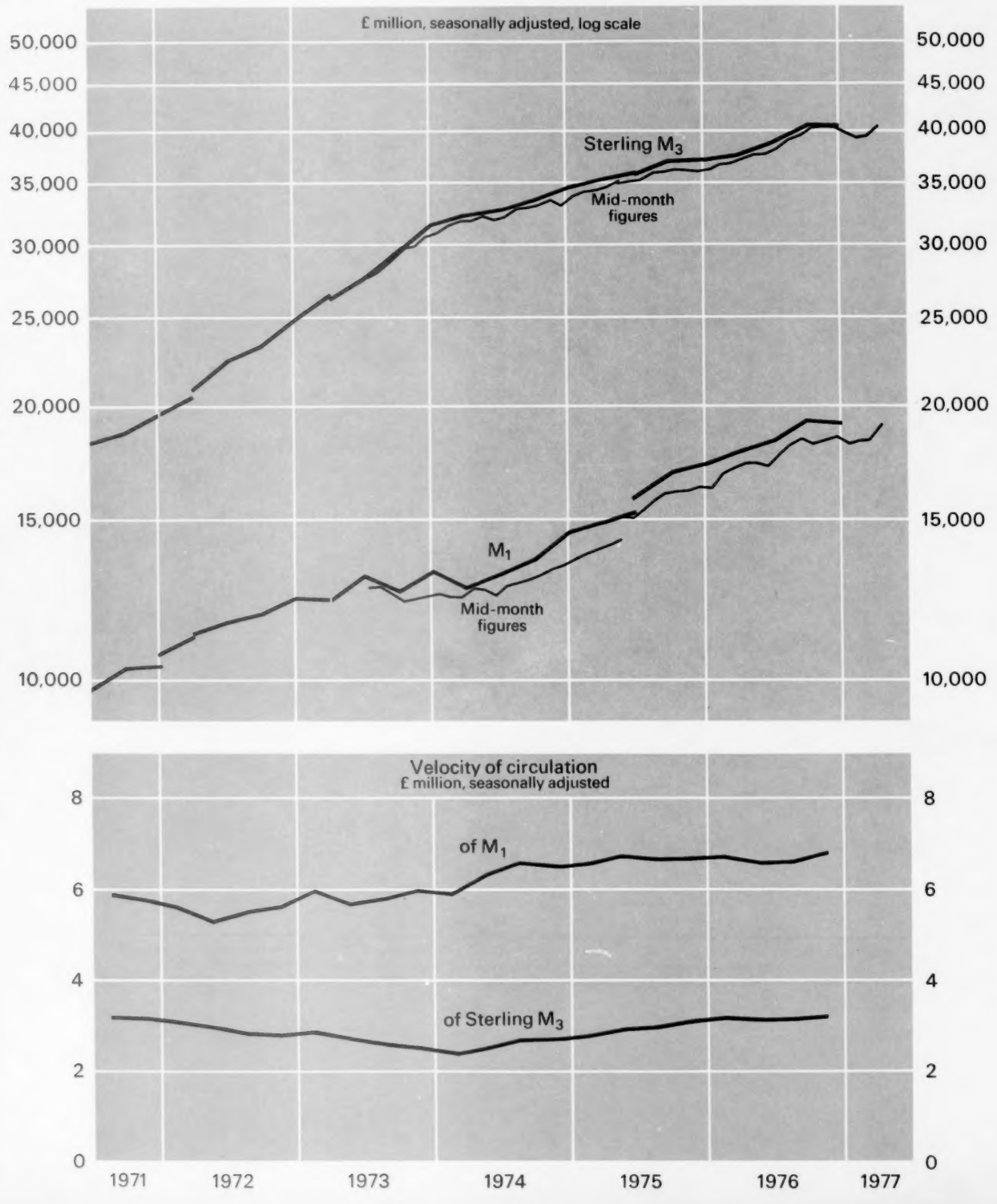
£ million: amounts outstanding

	M_1			Sterling M_3			M_3			Velocity of circulation[1]		
	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change*	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change*	M_1	Sterling M_3	M_3
At end period												
1970 *3*	9,040	108	*+1·2*	16,830	377	*+2·3*	17,350	378	*+2·2*	5·798†	3·130†	3·036†
4	9,430	386	*+4·3*	17,300	468	*+2·8*	17,800	458	*+2·6*	5·837	3·159	3·067
1971 *1*	9,820	391	*+4·1*	17,840	539	*+3·1*	18,330	519	*+3·0*	5·648	3·094	3·009
2	9,890	68	*+0·7*	18,240	403	*+2·3*	18,740	421	*+2·2*	5·747	3·139	3·055
3	10,230	341	*+3·4*	18,670	442	*+2·4*	19,180	447	*+2·3*	5·864	3·196	3·111
4[2]	10,340 / 10,740	103	*+1·0*	19,580 / 19,580	918	*+4·9*	20,010 / 20,010	826	*+4·3*	5·742	3·148	3·073
1972 *1*[3]	11,140 / 11,190	398	*+3·7*	20,420 / 20,830	842	*+4·3*	20,950 / 21,360	941	*+4·7*	5·574	3·037	2·966
2	11,590	400	*+3·6*	22,400	1,575	*+7·6*	23,010	1,658	*+7·7*	5·230	2·925	2·849
3	11,790	209	*+1·8*	23,340	952	*+4·3*	23,990	991	*+4·3*	5·459	2·790	2·715
4	12,290	497	*+4·2*	24,870	1,545	*+6·6*	25,670	1,696	*+7·0*	5·564	2·779	2·698
1973 *1*[3]	12,250 / 12,250	− 48	*−0·4*	26,330 / 26,230	1,508	*+6·1*	27,320 / 27,330	1,705	*+0·4*	5·917	2·839	2·740
2	13,010	764	*+6·2*	27,520	1,310	*+5·0*	28,590	1,283	*+4·6*	5·660	2·658	2·557
3	12,540	−446	*−3·6*	29,510	2,002	*+7·3*	30,830	2,250	*+7·8*	5·764	2·583	2·479
4	13,100	569	*+4·5*	31,540	2,048	*+6·9*	32,970	2,160	*+6·9*	5·936	2·493	2·386
1974 *1*	12,650	−428	*−3·3*	32,370	873	*+2·8*	34,140	1,214	*+3·5*	5·878	2·368	2·256
2	13,030	382	*+3·0*	32,630	278	*+0·9*	34,810	685	*+1·9*	6·270	2·477	2·335
3	13,520	495	*+3·8*	33,530	895	*+2·7*	36,030	1,215	*+3·5*	6·554	2·630	2·456
4	14,510	988	*+7·3*	34,740	1,209	*+3·6*	37,140	1,107	*+3·1*	6·426	2·638	2·462
1975 *1*	14,810	309	*+2·1*	35,290	534	*+1·5*	37,810	655	*+1·8*	6·521	2·730	2·551
2[4]	15,200 / 15,930	384	*+2·6*	35,960 / 35,940	672	*+1·9*	38,310 / 38,300	504	*+1·3*	6·689	2·852	2·670
3	16,800	874	*+5·5*	37,060	1,115	*+3·1*	39,840	1,535	*+4·0*	6·604	2·927	2·735
4[5]	17,250	448	*+2·7*	37,070	9	—	40,020	184	*+0·5*	6·621	3·043	2·825
1976 *1*	17,890	632	*+3·7*	37,650	576	*+1·6*	40,770	741	*+1·9*	6·654	3·131	2·896
2	18,310	423	*+2·4*	38,810	1,161	*+3·1*	42,330	1,553	*+3·8*	6·524	3·089	2·842
3	19,250	942	*+5·2*	40,470	1,660	*+4·3*	44,480	2,158	*+5·1*	6·579	3·118	2·847
4	19,050	−201	*−1·0*	40,460	− 17	—	44,450	− 28	*−0·1*	6·754	3·196	2·909
At mid-month												
1976 *J*	16,270	− 48	*−0·3*	36,420	331	*+0·9*	39,140	399	*+1·0*	..	..	..
F	16,880	620	*+3·8*	36,970	550	*+1·5*	39,710	572	*+1·5*	..	..	..
M	17,020	140	*+0·8*	36,980	− 8	—	39,920	196	*+0·5*	..	..	..
A	17,360	340	*+2·0*	37,410	448	*+1·2*	40,450	537	*+1·3*	..	..	..
M	17,350	− 8	—	37,680	277	*+0·7*	40,680	238	*+0·6*	..	..	..
J	17,170	−174	*−1·0*	37,810	138	*+0·4*	40,940†	274†	*+0·7†*	..	..	..
J	17,700	545	*+3·2*	38,430	646	*+1·7*	41,760	841	*+2·1*	..	..	..
A	18,050	352	*+2·0*	39,040	598	*+1·6*	42,470	707	*+1·7*	..	..	..
S	18,460	402	*+2·2*	39,760	726	*+1·9*	43,490	1,017	*+2·4*	..	..	..
O	18,120	−332	*−1·8*	40,110	351	*+0·9*	44,020	538	*+1·2*	..	..	..
N	18,330	205	*+1·1*	40,390	280	*+0·7*	44,210	190	*+0·4*	..	..	..
D	18,490	164	*+0·9*	40,240	−129	*−0·3*	43,870	− 327	*−0·7*	..	..	..
1977 *J*	18,200	−293	*−1·6*	39,600	−644	*−1·6*	43,330	− 541	*−1·2*	..	..	..
F	18,360†	166†	*+0·9†*	39,200†	−403†	*−1·0†*	43,070	− 258	*−0·6*	..	..	..
M	18,370	10	—	39,270	70	*+0·2*	43,140	69	*+0·2*	..	..	..
A	19,040	665	*+3·6*	40,200	934	*+2·4*	44,430	1,298	*+13·0*	..	..	..
M												
J												

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/sterling M_3/M_3 seasonally adjusted.

[2] The break in the series M_1 between September and December 1971 reflects additional statistical information.

[3] The breaks in the series at end-March 1972 and end-March 1973 show, in each case, the effects of changes in contributors which are described in *Financial Statistics*. [4] At mid-May 1975 new statistical returns were introduced. The first line of figures for end-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates. [5] The amounts outstanding at end-December 1975, are shown after the exclusion of one contributor to the series, but the effect on the figures is very small. The changes have been adjusted to exclude the effect of the reduction in the number of contributors.


£ million, seasonally adjusted, log scale
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
Sterling M3
Mid-month figures
M1
Mid-month figures
Velocity of circulation
£ million, seasonally adjusted
of M1
of Sterling M3
8
6
4
2
0
1971
1972
1973
1974
1975
1976
1977

Domestic credit expansion and money stock

Seasonally adjusted[1]

£ million

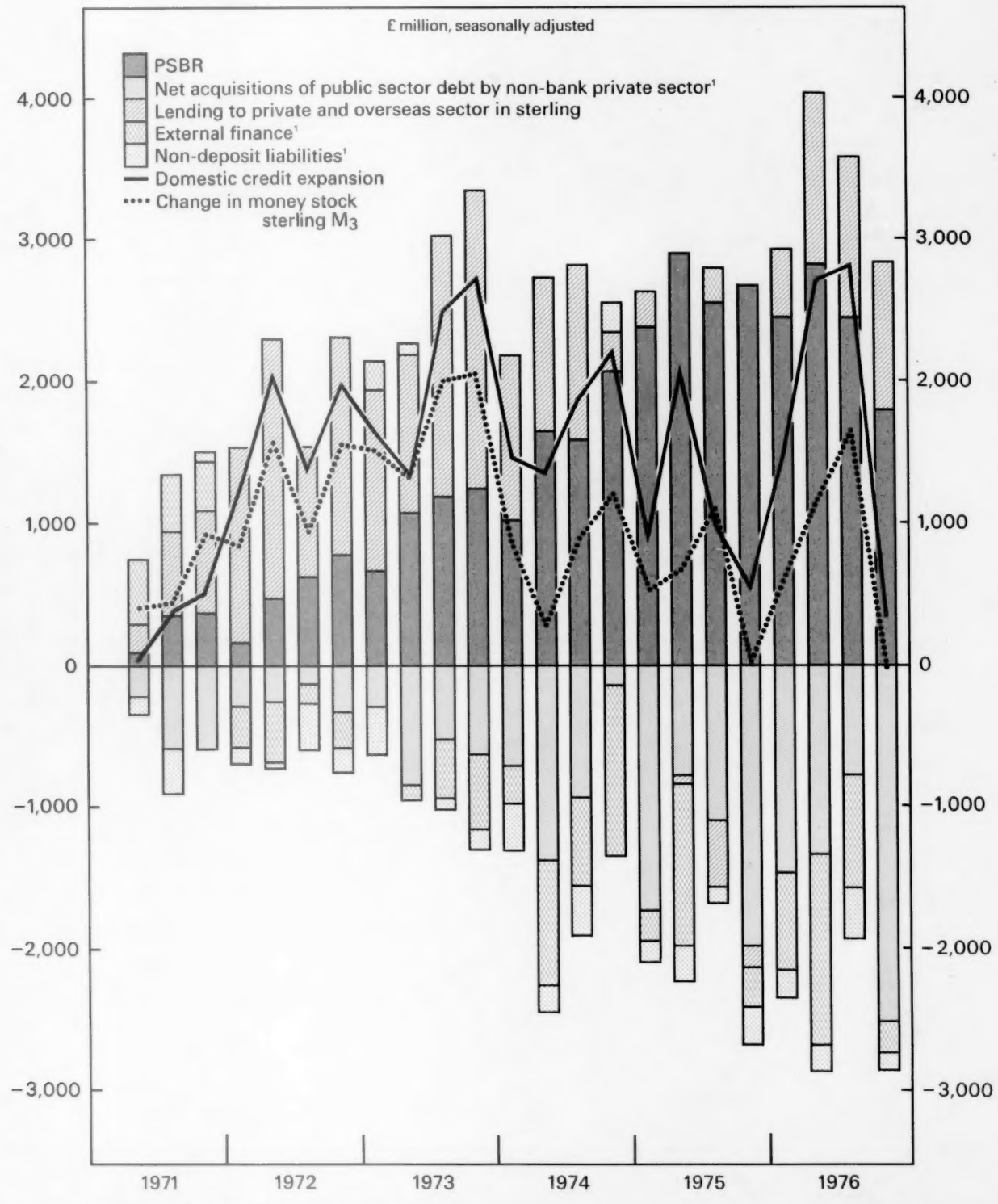
	Public sector borrowing requirement		Net acquisition of public sector debt by the non-bank private sector		Sterling lending to the private sector[2]	Bank lending in sterling to overseas	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M_3
	Central government	Other public sector	Other public sector	Central government						
	1	2	3	4	5	6	7	8	9	10
1972	1,596	444	230	776	5,510	136	6,680	1,101	652	4,927
1973	2,321	1,843	889	1,402	5,972	189	8,034	847	485	6,702
1974	3,491	2,842	2,310	852	3,435	289	6,895	2,958	682	3,255
1975	8,376	2,123	249	5,346	— 384	— 65	4,455	1,375	760	2,330
1976	6,776	2,654	480	5,607	3,413	650	7,406	2,970	866	3,570
1971 *2*	— 111	193	— 18	250	108	100	58	— 456	111	403
3	303	52	— 49	629	559	38	372	— 388	318	442
4	173	187	— 24	605	579	151	508	— 348	— 62	918
1972 *1*	137	23	42	236	1,455	— 83	1,254	308	104	842
2	223	255	34	226	1,690	129	2,037	427	35	1,575
3	605	20	22	119	868	46	1,398	118	328	952
4	631	146	132	195	1,484	44	1,978	248	185	1,545
1973 *1*	574	80	157	137	1,401	—124	1,637	— 213	342	1,508
2	860	212	311	534	1,024	90	1,341	115	— 84	1,310
3	325	868	184	344	1,664	168	2,497	418	77	2,002
4	562	683	237	387	2,049	55	2,725	527	150	2,048
1974 *1*	525	485	603	115	1,062	105	1,459	259	327	873
2	785	868	728	643	1,026	45	1,353	877	198	278
3	912	680	451	478	1,196	21	1,880	624	361	895
4	1,269	809	528	— 384	151	118	2,203	1,198	— 204	1,209
1975 *1*	1,883	495	63	1,669	370	—124	892	215	143	534
2	2,180	717	228	556	— 213	148	2,048	1,131	245	672
3	2,406	148	— 138	1,232	— 481	2	981	— 249	115	1,115
4	1,907	763	96	1,889	— 60	— 91	534	268	257	9
1976 *1*	2,139	296	17	1,444	130	345	1,449	668	205	576
2	2,007	808	215	1,120	950	265	2,695	1,344	190	1,161
3	1,805	636	115	667	942	202	2,803	794	349	1,660
4	825	914	133	2,376	1,201	—162	269	164	122	— 17
Three months ending										
1975 April 16	1,953		440	1,256	42	82	1,261	293	131	837
July 16	2,418		378	777	— 231	57	1,845	1,154	— 41	732
Oct. 15	2,197		351	1,243	— 229	— 6	1,070	5	177	888
1976 Jan. 21	1,790		750	2,342	37	—205	30	82	— 72	20
April 21	2,146		118	608†	279	435†	2,370†	1,049†	331†	990
July 21	1,580		486	986	1,081	154	2,315	915	339	1,061
Oct. 20	1,859		724	1,132	1,154	99	2,704	1,021	8	1,675
1977 Jan. 19	810†		480†	2,850	1,020	—188	— 728	— 369	134	— 493
April 20			110		— 151	— 27	— 68[3]	— 739	— 70	601

Relationship between columns 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 − 8 − 9 (The figures combined in the bracket are column 2 *less* column 3).

[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

[3] Of which in month ending April 20: 799.



[1]Increases are shown as (−), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government									Public expenditure[4]
	Receipts[2]		Expenditure							
	Taxes, national insurance, etc. contributions	Trading income, rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total	
			Consumption	Investment	Current grants and subsidies	Capital transfers	Debt interest			
1973	24,003	2,964	13,366	3,665	8,243	959	2,718	1,617	30,568	27,903
1974	29,422	3,592	16,637	4,381	11,179	1,113	3,470	2,390	39,170	36,068
1975	38,003	4,344	22,847	5,099	14,586	1,220	4,063	3,757	51,572	47,670
1976	44,506	5,089	26,359	5,362	17,076	1,429	5,354	2,601	58,181	53,809
1973 *1*	6,843	737	3,251	921	1,990	288	724	653	7,827	7,107
2	5,429	670	3,191	791	2,017	219	519	484	7,221	6,656
3	5,808	824	3,378	950	1,957	235	807	102	7,429	6,685
4	5,923	733	3,546	1,003	2,279	217	668	378	8,091	7,455
1974 *1*	7,639	922	3,834	1,318	2,560	277	981	546	9,516	8,607
2	6,627	778	3,799	812	2,493	263	616	423	8,406	7,757
3	7,508	967	4,274	1,135	2,907	278	1,003	895	10,492	9,627
4	7,648	925	4,730	1,116	3 219	295	870	526	10,756	10,077
1975 *1*	9,470	1,094	5,414	1,369	3,356	374	1,103	1,264	12,880	11,809
2	8,871	1,000	5,429	1,134	3,667	207	720	771	11,928	11,102
3	9,723	1,166	5,822	1,231	3,659	304	1,232	853	13 101	12,041
4	9,939	1,084	6,182	1,365	3,904	335	1,008	869	13,663	12,718
1976 *1*	11,393	1,351	6,314	1,652	4,152	387	1,514	1,062	15,081	13,766
2	10,627	1,160	6,499	1,175	4,275	308	998	520	13,775	12,852
3	10,963	1,344	6,654	1,267	4,217	327	1,623	786	14,874	13,696
4	11,523	1,234	6,892	1,268	4,432	407	1,219	233	14,451	13,495

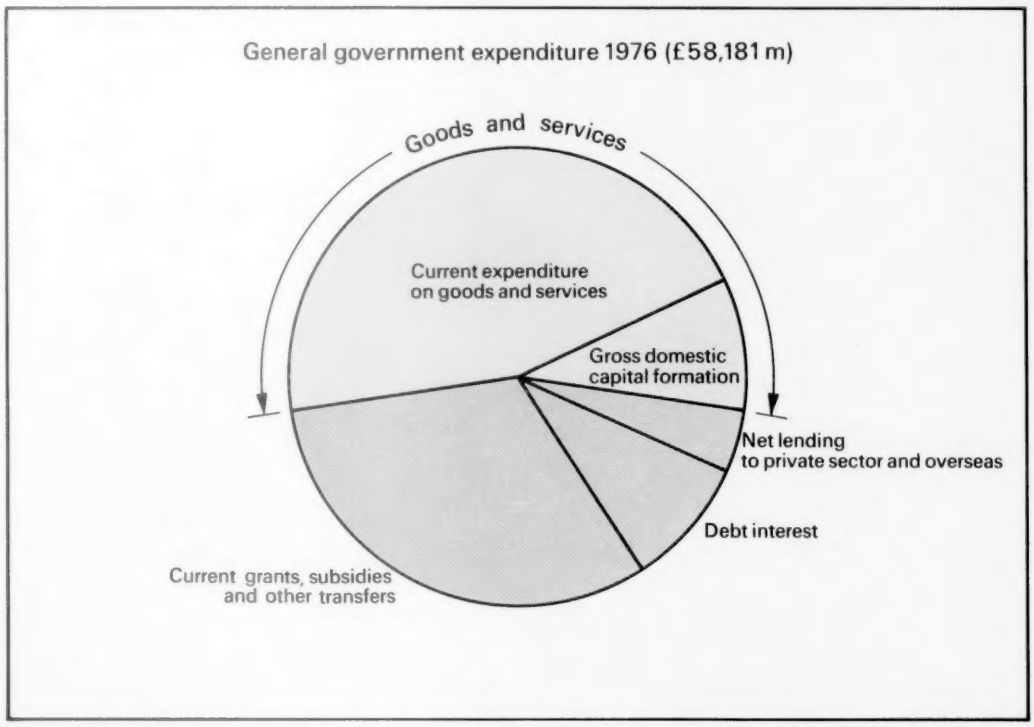
[1] An article describing the new presentation of government income and expenditure was published in the March issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).
[4] As defined in the public expenditure White Paper (Cmnd. 6721). A reconciliation with the total of general government expenditure is shown in Table 2·4 of *Financial Statistics*.

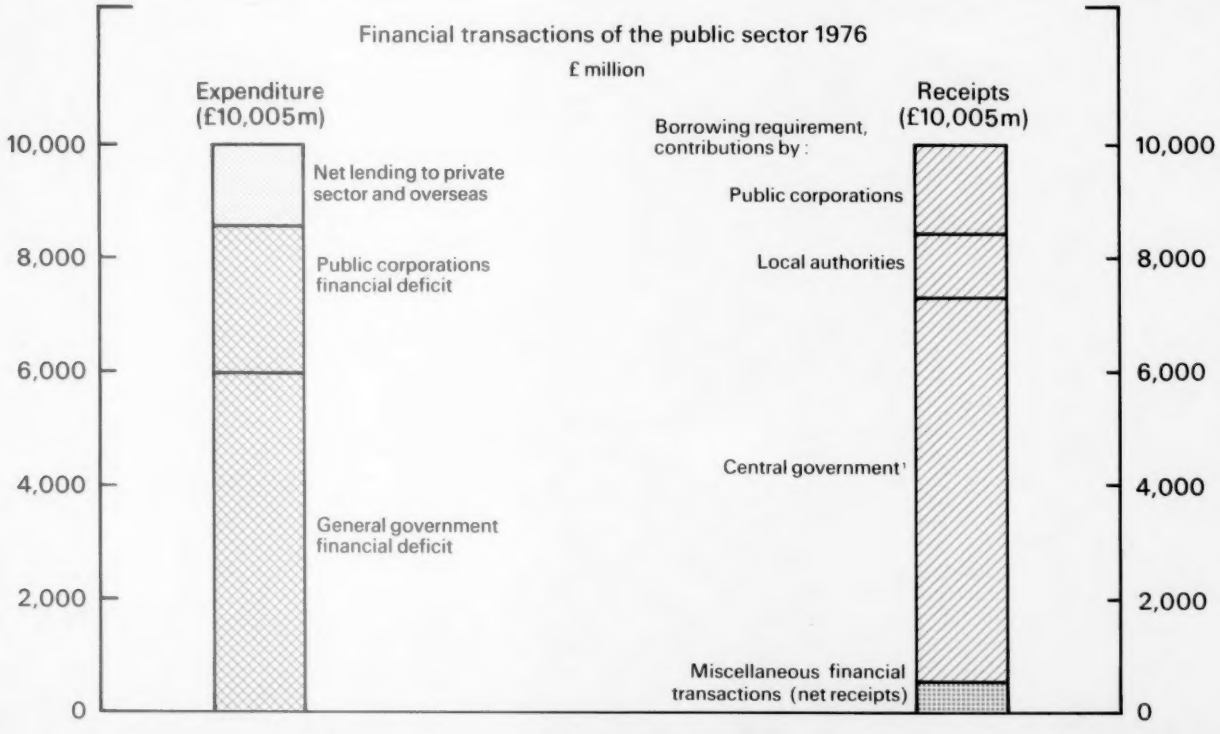
Financial transactions of the public sector

£ million

	Financial deficit[1]			Net lending etc., to private sector and overseas[3]	Total	Receipts			
							Borrowing requirement		
	Total	General government[2]	Public corporations			Financial transactions (net receipts)	Total	Contributions by:	
								Central government[4]	Local authorities	Public corporations
1973	2,785	1,984	801	971	3,756	−408	4,164	2,321	1,348	495
1974	5,356	3,766	1,590	1,833	7,189	856	6,333	3,491	2,125	717
1975	8,393	5,468	2,925	1,809	10,202	−297	10,499	8,376	1,653	470
1976	8,569	5,985	2,584	1,436	10,005	575	9,430	6,776	1,125	1,529
1973 *1*	−141	−406	265	324	183	505	−322	−452	237	−107
2	783	638	145	174	957	−424	1,381	1,142	418	−179
3	1,066	695	371	278	1,344	−188	1,532	645	337	550
4	1,077	1,057	20	195	1,272	−301	1,573	986	356	231
1974 *1*	751	409	342	475	1,226	1,301	−75	−609	452	82
2	884	578	306	368	1,252	−623	1,875	985	780	110
3	1,678	1,122	556	638	2,316	725	1,591	858	452	281
4	2,043	1,657	386	352	2,395	−547	2,992	2,257	441	244
1975 *1*	1,955	1,052	903	477	2,432	920	1,512	987	527	− 2
2	1,860	1,286	574	307	2,167	−935	3,102	2,356	612	134
3	2,384	1,359	1,025	418	2,802	307	2,495	2,288	210	− 3
4	2,194	1,771	423	607	2,801	−589	3,390	2,745	304	341
1976 *1*	2,057	1,275	782	454	2,511	869	1,642	1,410	196	36
2	2,109	1,468	641	416	2,525	−476	3,001	2,208	282	511
3	2,730	1,781	949	324	3,054	734	2,323	1,655	288	380
4	1,673	1,461	212	242	1,915	−608	2,464	1,503	359	602

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, less 1 and 2.
[3] Including cash expenditure on company securities (net).
[4] Including borrowing matched by on-lending to local authorities and public corporations.


General government expenditure 1976 (£58,181 m)
Goods and services
Current expenditure on goods and services
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Current grants, subsidies and other transfers



[1]Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

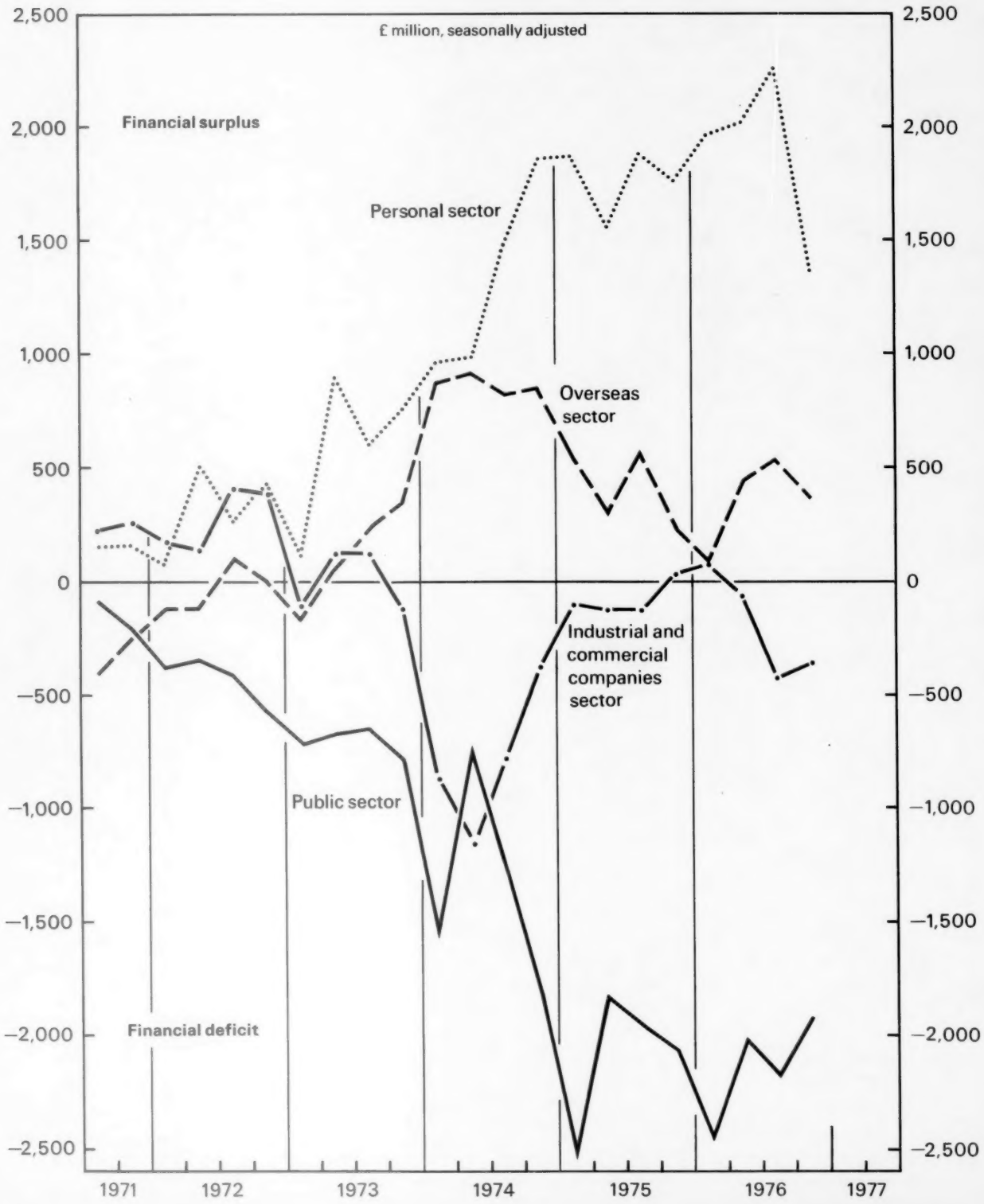
Seasonally adjusted

£ million

	Public sector[1]			Financial companies			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1973	3,084	+ 16†	5,885	822	— 76	1,269	7,977	347	8,281
1974	2,267	— 24	7,599	769	— 66	1,403	8,477	333	11,997†
1975	1,535	— 92	9,836	648	— 16	1,598	8,652	403	9,375
1976	2,231	—167	10,633	1020	—129	1,903	11,678	360	12,696
1972 *1*	766	3	1,158	118	— 15	167	1,068	116	1,101
2	826	15	1,189	112	— 15†	161	1,186	96	1,138
3	738	22	1,169	199	— 15	240	1,455	81	1,131
4	660	12	1,244	180	— 16	209	1,672	87	1,369
1973 *1*	732	— 15	1,429	239	— 19	255	1,732	97	1,934
2	722	— 2	1,379	189	— 19	309	1,917	77	1,862
3	843	12	1,494	197	— 19	341	2,133	96	2,101
4	787	21	1,583	197	— 19	364	2,195	77	2,384
1974 *1*	174	23	1,774	278	— 16	351	2,092	93	3,056
2	1,018	— 19	1,726	164	— 16	333	2,111	81	3,342†
3	680	— 24	1,902	119	— 17	352	2,129	76	2,991
4	395	— 4	2,197	208	— 17	367	2,145	83	2,608
1975 *1*	— 35	— 62	2,452	209	— 8	331	2,170	173	2,443
2	446	34	2,302	178	— 6	371	2,048	62	2,237
3	455	— 19	2,392	135	— 2	498	2,080	85	2,294
4	669	— 45	2,690	126	—	398	2,354	83	2,401
1976 *1*	302	— 1	2,755	222	— 32	405	2,663	102	2,664
2	668	— 29	2,654	234	— 32	433	2,909	97	3,041
3	422	— 32	2,581	200	— 32	591	2,893	74	3,368
4	839	—105	2,643	364	— 33	474	3,213	87	3,623

	Personal sector			Net acquisition of financial assets[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1973	5,798	—346†	3,062	—2,785†	—523	43†	2,390†	811	64
1974	8,552†	—318	2,934	—5,356	—700	—3,187†	5,300	3,455	488†
1975	10,972	—295	3,604	—8,393	—966	— 320	7,073	1,635	971
1976	12,090	— 64	4,409	—8,569	—1,012	— 658	7,617	1,423	1199
1972 *1*	822	—104	636	— 389	— 64	83	82	— 120	408
2	1,320	— 96	705	— 348	— 64	144	519	— 121	—130
3	1,049	— 88	704	— 409	— 56	405	257	105	—302
4	1,263	— 83	751	— 572	— 45	390	429	5	—207
1973 *1*	1,018	—101†	793	— 712†	— 35	— 105	124†	176	552
2	1,683	— 75	706	— 659	—139	132	902	51	—287
3	1,498	— 90	806	— 639	—163	128	602	236	—164
4	1,599	— 80	757	— 775	—186	— 112	762	348	— 37
1974 *1*	1,803	—100	744	—1,577	— 89	— 871	959	876	702
2	1,813	— 75	751	— 727	—185	—1,150†	987	916	159†
3	2,261	— 75	695	—1,246	—250	— 786	1,491	812	— 21
4	2,675	— 68	744	—1 806	—176	— 380	1,863	851	—352
1975 *1*	2,764	—103	793	—2,549	—130	— 100	1,868	544	367
2	2,527	— 90	875	—1,822	—199	— 127	1,562	295	291
3	2,893	— 64	940	—1,956	—365	— 129	1,889	566	— 5
4	2,788	— 38	996	—2,066	—272	36	1,754	230	318
1976 *1*	3,052	— 69	1,012	—2,454	—215	101	1,971	80	517
2	3,088	— 36	1,030	—2,015	—231	— 35	2,022	439	—180
3	3,397	— 10	1,123	—2,191	—423	401	2,264	536	215
4	2,553	51	1,244	—1,909	—143	— 323	1,360	368	647

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress.
[5] Equals apart from the change in sign. the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts.


£ million, seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
−2,500
1971
1972
1973
1974
1975
1976
1977

Appropriation account of industrial and commercial companies

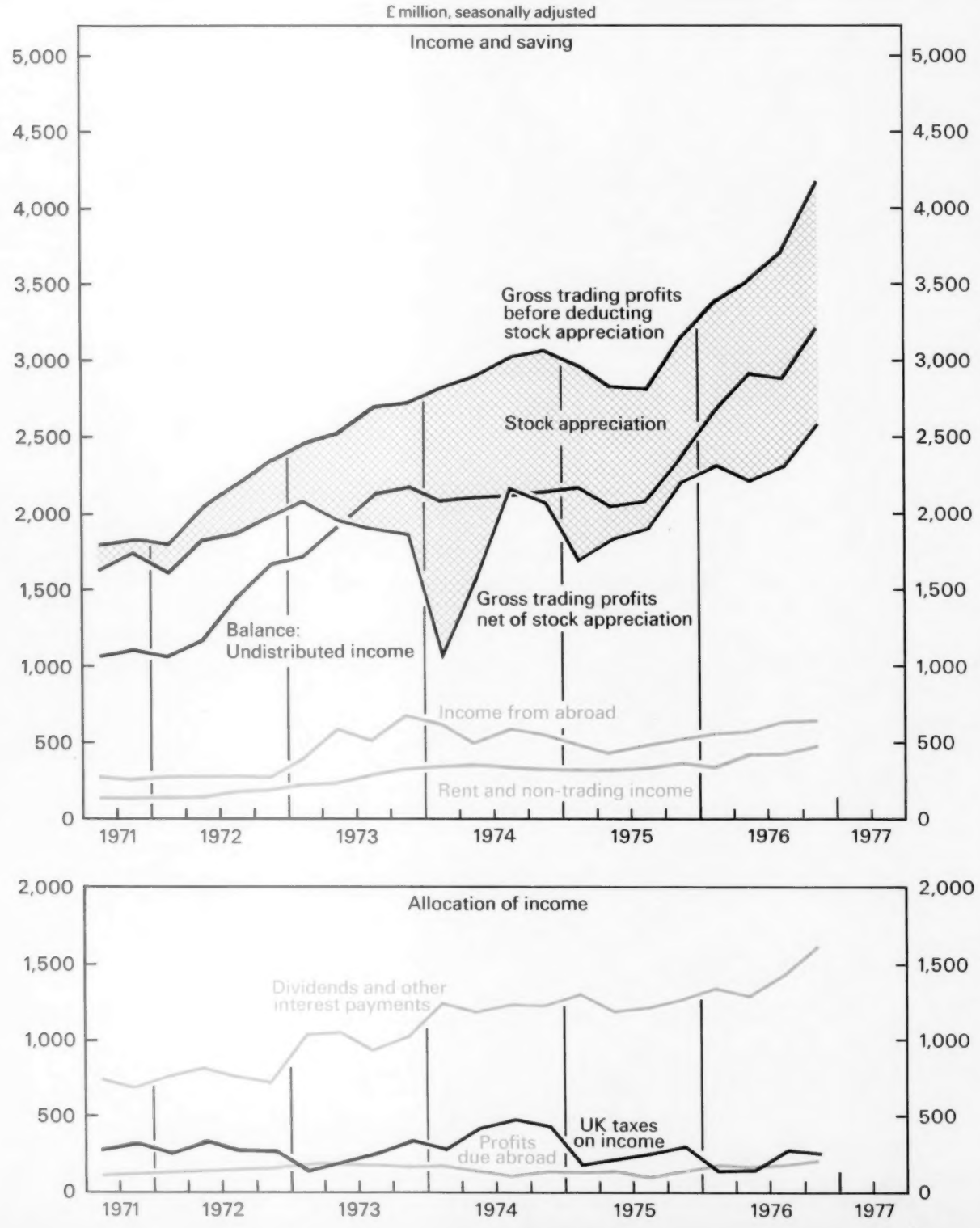
£ million Seasonally adjusted

	Income							Allocation of income						
	Income arising in the United Kingdom							Dividends and interest, etc.						
	Gross trading profits			Rent and non-trading income										
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Total	*of which* from financial companies[2]	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares[3]	Other	*of which* to financial companies[2]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Balance undistributed income[5]	Taxes paid abroad on income from abroad[6]
1966	5,967	4,671	298	4,969	356	99	642	1,509	923	555	199	509	2,827	*460*
1967	6,033	4,854	148	5,002	368	95	663	1,463	941	548	206	771	2,652	*515*
1968	6,867	5,193	470	5,663	448	138	756	1,434	1,067	656	312	814	3,240	*702*
1969	7,246	5,211	590	5,801	497	165	948	1,554	1,220	757	260	920	3,292	*812*
1970	7,715	5,294	891	6,185	505	151	1,025	1,378	1,304	802	322	1,264	3,447	*1,037*
1971	8,621	6,244	831	7,075	520	137	1,026	1,530	1,320	792	399	1,198	4,174	*1,329*
1972	10,094	7,284	1,067	8,351	632	196	1,111	1,524	1,515	969	551	1,123	5,381	*1,582*
1973	13,577	7,824	2,546	10,370	1,044	503	2,163	1,638	2,369	1,805	670	923	7,977	*2,344*
1974	15,466	6,892	4,908	11,800	1,340	695	2,326	1,517	3,345	2,716	532	1,595	8,477	*3,992*
1975	14,962	7,632	4,107	11,739	1,330	618	1,893	1,623	3,309	2,671	456	922	8 652	*3,398*
1976	18,810	9,413	5,396	14,809	1,633	795	2,368	1,845	3,811	3,115	697	779	11,678	*3,772*
1971 *1*	2,064	1,406	271	1,677	129	37	258	382	334	209	98	191	1,059	*287*
2	2 170	1,454	323	1,777	132	37	261	389	335	200	97	418	931	*333*
3	2 176	1,637	154	1,791	130	33	255	403	330	194	99	275	1,069	*348*
4	2,211	1,747	83	1,830	129	30	252	356	321	189	105	314	1,115	*361*
1972 *1*	2,199	1,611	189	1,800	133	29	266	435	320	190	126	250	1,068	*358*
2	2,470	1,819	227	2,046	142	37	282	460	353	225	134	337	1,186	*354*
3	2,625	1,875	293	2,168	170	60	287	346	408	265	147	269	1,455	*413*
4	2,800	1,979	358	2,337	187	70	276	283	434	289	144	267	1,672	*457*
1973 *1*	3,070	2,091	364	2,455	218	93	397	531	498	383	174	135	1,732	*480*
2	3,330	1,956	558	2,514	231	102	585	503	538	399	173	199	1,917	*480*
3	3,475	1,901	789	2,690	275	135	510	314	613	452	165	250	2,133	*610*
4	3,702	1,876	835	2,711	320	173	671	290	720	571	158	339	2,195	*774*
1974 *1*	3,778	1,083	1,740	2,823	344	185	611	468	769	644	171	278	2,092	*934*
2	3,837	1,567	1,332	2,899	348	190	590	345	833	660	137	411	2,111	*1,059*
3	3,924	2,160	854	3,014	333	170	577	353	873	691	96	473	2.129	*1,024*
4	3,927	2,082	982	3,064	315	150	548	351	870	721	128	433	2,145	*975*
1975 *1*	3,763	1,691	1,269	2,960	313	143	490	454	840	704	121	178	2,170	*883*
2	3,566	1,834	984	2,818	321	146	427	356	824	646	134	204	2,048	*848*
3	3,622	1,900	911	2,811	338	158	473	386	818	635	91	247	2,080	*971*
4	4,011	2,207	943	3,150	358	171	503	427	827	686	110	293	2,354	*696*
1976 *1*	4,294	2,308	1,091	3,399	345	149	550	516	822	666	168	125	2,663	*845*
2	4,481	2,212	1,302	3,514	411	199	556	395	890	679	151	136	2,909	*875*
3	4,750	2,302	1,411	3,713	410	201	627	436	982	782	171	268	2,893	*1,117*
4	5,285	2,591	1,592	4,183	467	246	635	498	1,117	966	207	250	3,213	*935*

Percentage change, quarter on corresponding quarter of previous year

1975 *1*	− 0·4	+ 56·1	− 27·1	+ 4·9	− 9·0	− 22·7	− 19·8	− 3·0	+ 9·2	+ 9·3	− 29·2	− 36·0	+ 3·7	− 5·5
2	− 7·1	+ 17·0	− 26·1	− 2·8	− 7·8	− 23·2	− 27·6	+ 3·2	− 1·0	− 2·1	− 2·2	− 50·4	− 3·0	− 19·9
3	− 7·7	− 12·0	+ 6·7	− 6·7	+ 1·5	− 7·1	− 18·0	+ 9·3	− 6·3	− 8·1	− 5·2	− 47·8	− 2·3	− 5·2
4	+ 2·1	+ 6·0	− 4·0	+ 2·8	+ 13·7	+ 14·0	− 8·2	+ 21·7	− 4·9	− 4·9	− 14·1	− 32·3	+ 9·7	− 28·6
1976 *1*	+ 14·1	+ 36·3	− 14·0	+ 14·8	+ 10·2	+ 4·2	+ 12·2	+ 13·7	− 2·1	− 5·4	+ 38·8	− 29·8	+ 22·7	− 4·3
2	+ 25·7	+ 20·6	+ 32·3	+ 24·7	+ 28·0	+ 36·3	+ 30·0	+ 11·0	+ 8·0	+ 5·1	+ 12·7	− 33·3	+ 42·0	+ 3·2
3	+ 31·1	+ 21·2	+ 54·9	+ 32·1	+ 21·3	+ 27·2	+ 32·6	+ 13·0	+ 20·0	+ 23·2	+ 87·9	+ 8·5	+ 39·1	+ 15·0
4	+ 31·8	+ 17·4	+ 68·8	+ 32·8	+ 30·4	+ 43·9	+ 26·2	+ 16·6	+ 35·1	+ 40·8	+ 88·2	− 14·7	+ 36·5	+ 34·3

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as a memorandum item.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.
[4] The residual of all companies payments and accruals of financial companies taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) *less* increases in balance of deductions of income tax, from interest payments and from wages and salaries under PAYE, over payments to the Inland Revenue. Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the fourth quarter of 1976 the amount of advance corporation tax included was £228 million. The seasonally adjusted series for all companies have been allocated between industrial and commercial companies and financial companies in proportion to the calendar year estimates of their accruals of taxes on income.
[5] Before providing for depreciation, stock appreciation and additions to reserves.
[6] This item is not now included in total income, but is shown merely as a memorandum item


£ million, seasonally adjusted
Income and saving
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Gross trading profits before deducting stock appreciation
Stock appreciation
Gross trading profits net of stock appreciation
Balance: Undistributed income
Income from abroad
Rent and non-trading income
1971
1972
1973
1974
1975
1976
1977
Allocation of income
2,000
1,500
1,000
500
0
Dividends and other interest payments
UK taxes on income
Profits due abroad
1971
1972
1973
1974
1975
1976
1977

Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
	Total	Undistributed income[1]	Capital transfers	Bank borrowing[2], loans and mortgages	UK capital issues by listed companies (net)	Overseas[3]	Taxes on capital and capital transfers	Gross domestic fixed capital formation	Increase in value of stocks and work in progress	Acquisition of financial assets: Liquid assets[4]	Acquisition of financial assets: Other[5]	Unidentified items (residual)
1972	10,473	5,381	409	3,146	616	921	29	3,796	943	2,348	1,895	1,462
1973	15,552	7,977	373	5,298	158	1,746	26	4,755	3,526	2,568	3,335	1,342
1974	15,688	8,477	364	4,469	— 13	2,391	31	5,905	6,092	39	2,887	734
1975	13,206	8,652	442	1,136	1,022	1,954	39	6,987	2,388	2,447	2,342	— 997
1976	18,303†	11,678	401	3,128	792†	2,304	41	7,540	5,156	1,847	3,764†	— 45†
1973 *3*	3,792	2,054	108	1,323	19	288	4	1,186	1,008	1,270	332	— 8
4	5,252	2,443	83	2,083	26	617	3	1,366	1,137	693	1,566	487
1974 *1*	4,102	1,638	105	1,463	— 6	902	16	1,269	1,564	— 265	654	864
2	4,203	2,392	83	1,221	— 13	520	3	1,393	1,903	232	285	387
3	3,641	1,943	87	989	14	608	6	1,516	1,578	18	492	31
4	3,742	2,504	89	796	— 8	361	6	1,727	1,047	54	1,456	— 548
1975 *1*	3,224	2,013	119	785	25	282	22	1,582	623	162	350	485
2	3,070	2,008	82	402	329	249	5	1,636	529	457	1,320	— 877
3	2,940	1,954	123	— 284	319	828	6	1,940	482	1,377	— 358	— 507
4	3,972	2,677	118	233	349	595	6	1,829	754	451	1030	— 98
1976 *1*	3,734	2,786	116	— 76	218	690	21	1,512	802	79	828†	492†
2	4,826	2,834	99	939	429	525	6	1,847	1,113	665	1,129	66
3	4,111	2,580	90	847	130	464	7	2,082	1,458	675	517	— 628
4	5 632	3,478	96	1,418	15†	625	7	2,099	1,783	428	1,290	— 25
1977 *1*					28							
2												

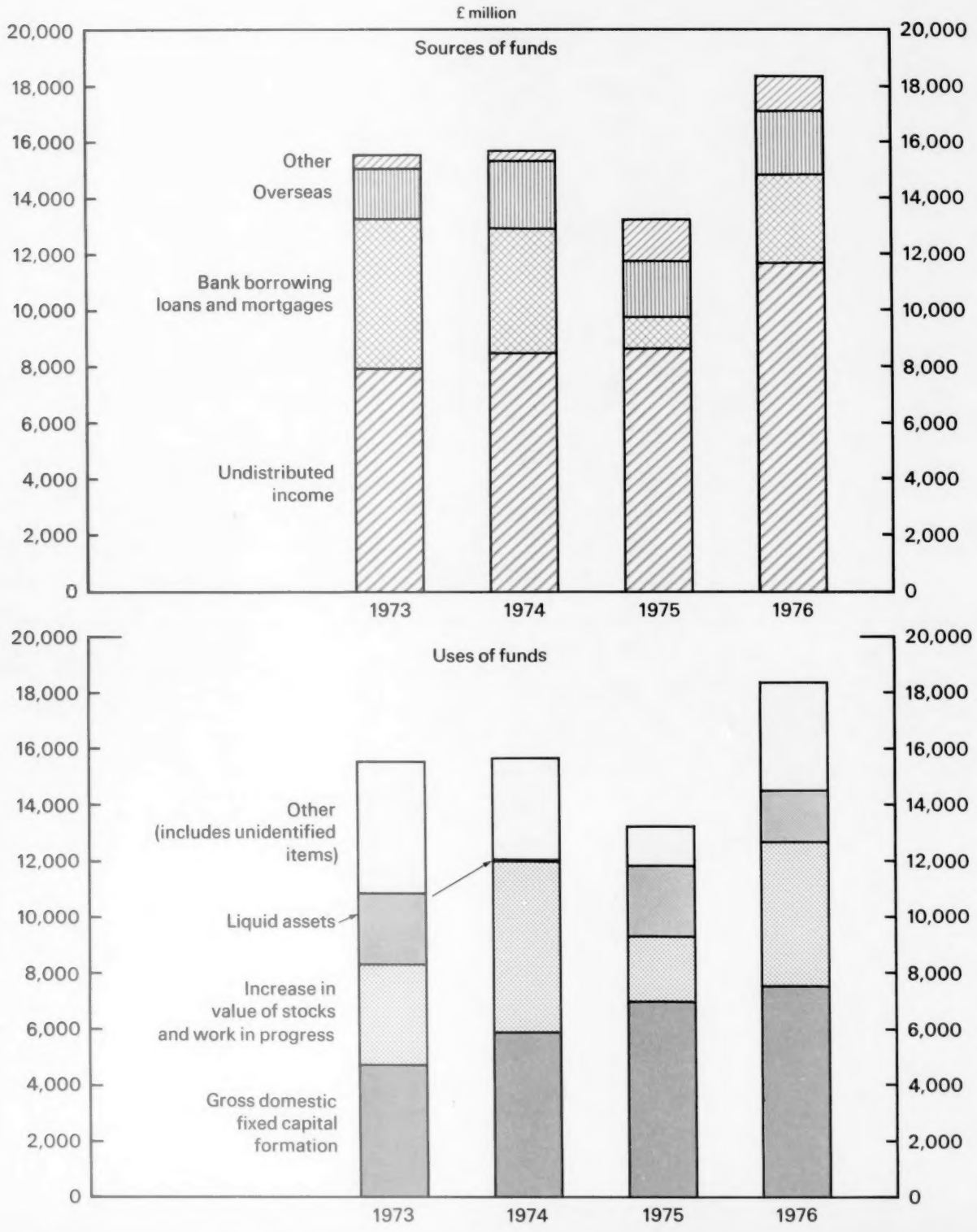
[1] Before providing for depreciation, stock appreciation and additions to reserves.
[2] After addition of 40 per cent of the excess of debit over credit transit items.
[3] Other than investments included in UK capital issues.
[4] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items
[5] Including figures of large companies transactions in British government securities (for further information see *Financial Statistics: Notes and Definitions*)

Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Local authority temporary debt	Deposits with banking sector[1,2]	Deposits with building societies	Deposits with finance houses[1]	Other identified[1,3]	Total identified[1]	Bank advances[1,4]
1972 *3*	350	5,993	188	122	157	6,810	8,960
4	359	6,851	188	136	157	7,691	9,730
1973 *1*	395	7,230 / 7,225	183	164 / 162	88	8,060 / 8,053	10,551 / 10,649
2	472	7,202	200	166	87	8,127	11,370
3	488	8,487	175	186	85	9,421	12,561
4	483	9,126	160	169	85	10,023	14,421
1974 *1*	519	8,949	149	133	54	9,804	15,423
2	509	8,897	149	140	52	9,747	16,772
3	518	9,142	149	104	168	10,081	17,387
4	484	9,038	132	97	97	9,848	18,019
1975 *1*	424	9,336	123	128	58	10,069	18,316
2	415	9,989 / 9,473	136	138	115 / 112	10,793 / 10,274	19,287 / 17,489
3	434	10,378	135	124	385	11,456	17,562
4	459	10,712 / 10,702	135	141	355†	11,802† / 11,792	17,679 / 17,727
1976 *1*	443	10,684	152	153†	566	11,998	17,726
2	425	11,107	159	162	700	12,553	19,156
3	414	12,123	153	151	443	13,284	19,955
4	579	12,458	126	151	389	13,703	20,975
1977 *1*			126				
2							

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit.
[3] Treasury bills, tax reserve certificates, tax deposit accounts, and certificates of tax deposits.
[4] Including refinanceable export and shipbuilding credits with effect from mid-May 1972.


£ million
Sources of funds
Other Overseas
Bank borrowing loans and mortgages
Undistributed income
Uses of funds
Other (includes unidentified items)
Liquid assets
Increase in value of stocks and work in progress
Gross domestic fixed capital formation
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1973
1974
1975
1976

Bank lending[1] to UK residents

Seasonally adjusted[2]

£ million

	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1970	913	893	20	1,315	829	486
1971	1,666	1,648	18	1,856	1,625	231
1972	−1,026	−1,030	4	6,434	5,511	923
1973	1,995	1,134	861	6,828	5,671	1,157
1974	701	− 370	1,071	4,671	3,734	937
1975	3,364	3,081	283	139†	− 386†	525
1976	284	− 150	434	3,523	3,087	436
1971 *3*	503	504	− 1	604	559	45
4	691	677	14	588	584	4
1972 *1*[4]	− 359	− 359	—	1,610	1,456	154
2	− 809	− 813	4	1,875	1,632	243
3	98	103	− 5	1,108	926	182
4	57	52	5	1,828	1,484	344
1973 *1*[4]	461	418	43	1,464	1,175	289
2	316	79	237	1,163	1,112	51
3	509	166	343	2,115	1,705	410
4	543	305	238	2,252	1,845	407
1974 *1*	116	− 147	263	1,267	944	323
2	− 390	− 606	216	1,590	1,365	225
3	48	− 52	100	1,398	1,250	148
4	927	435	492	416	175	241
1975 *1*	436	138	298	61	102	− 41
2[5]	1,224	1,236	− 12	285	46	239
3	1,642	1,642	—	− 171	− 485	314
4[4]	62	65	− 3	− 36	− 49	13
1976 *1*	148	131	17	104	127	− 23
2	− 154	− 208	54	905	944	− 39
3	949	791	158	1,146	934	212
4	− 469	− 674	205	1,178	892	286

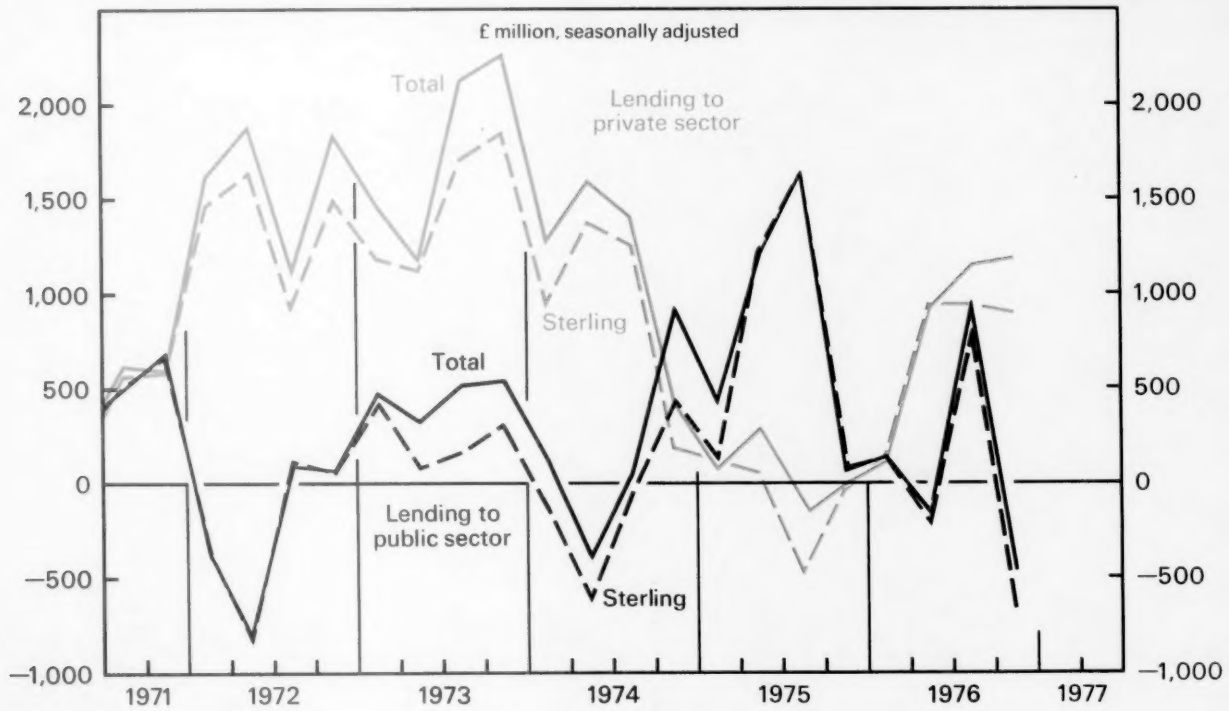
[1] UK banking sector: changes in assets.
[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.
[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.
[4] Figures have been calculated to exclude the effect of small changes in the number of contributors to the banking statistics.
[5] Figures have been calculated to exclude the effects of the introduction of new statistical returns.

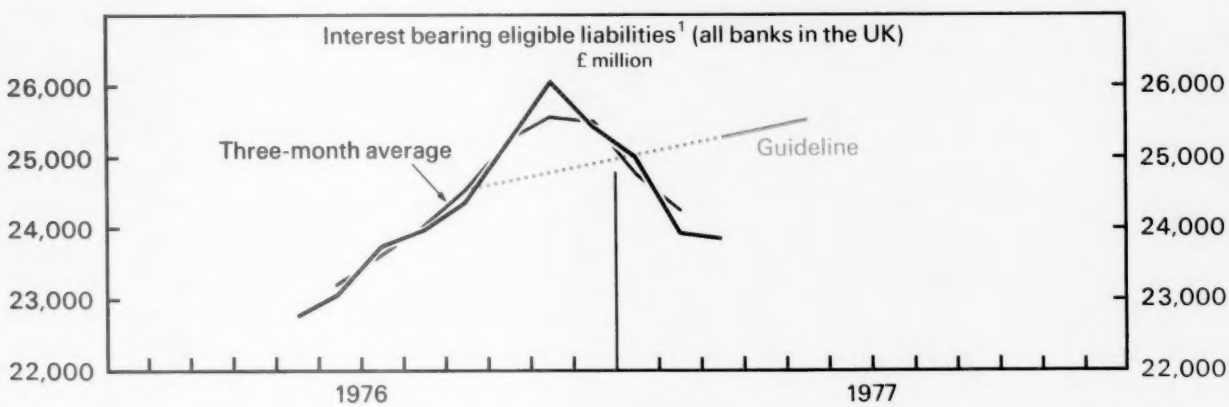
Banks' reserve ratio

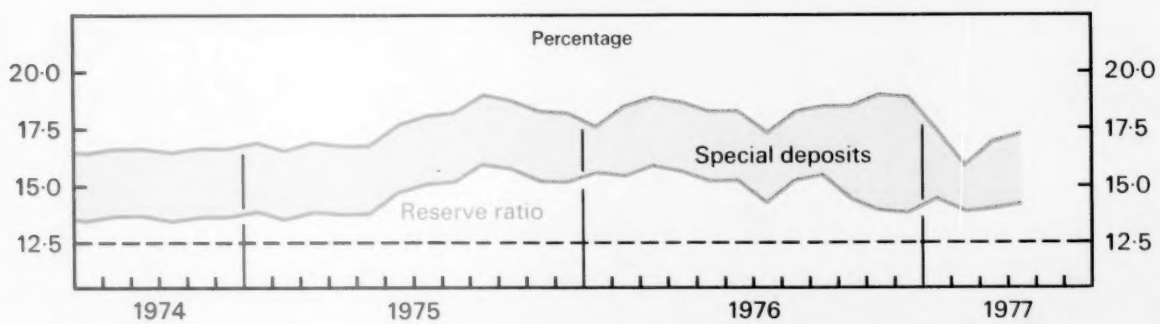
Unadjusted

	£ million		Per cent			£ million		Per cent	
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]		Eligible liabilities	*of which:* Interest bearing	Reserve ratio	Special deposits[2]
At mid-month					**At mid-month**				
1975 *A*	32,322	22,135	13·7	3	1976 *A*	33,907	22,803	15·6	3
M	32,605	22,227	13·7	3	*M*	33,738	22,739	15·2	3
		22,721			*J*	34,026	23,111	15·2	3
J	32,371	22,477	14·6	3	*J*	34,987	23,761	14·2	3
J	33,205	23,151	15·0	3	*A*	35,182	23,953	15·1	3
A	33,044	22,767	15·1	3	*S*	35,793	24,387	15·4	3
S	32,987	22,851	15·9	3	*O*	36,621	25,214	14·4	4
O	33,367	22,986	15·7	3	*N*	37,259	26,067	13·9	5
N	33,451	23,033	15·2	3	*D*	36,876	25,423	13·8	5
D	33,345	22,764	15·1	3	1977 *J*	36,146	24,994	14·4	3
1976 *J*	33,046†	22,509†	15·5	2	*F*	34,833	23,914	13·8	2
F	33,204	22,929	15·4	3	*M*	34,976	23,839	13·9	3
M	33,106	22,551	15·8	3	*A*	35,846	23,997	14·2	3
					M				

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975. [2] Not yet applicable to banks in Northern Ireland.







[1] Supplementary special deposits will have to be paid by banks and deposit-taking finance houses, according to growth in excess of the guideline, at rates of 5 per cent (up to 3 per cent excess), 25 per cent (over 3 and up to 5 per cent excess) and 50 per cent (above 5 per cent excess) of interest-bearing eligible liabilities.

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day	Average of working days			
		Bank of England's minimum lending rate to the market[1]	Euro-dollar 3-month rate	Deposits with local authorities (3 months)[2]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[3]	Inter-bank (3 month rate)[4]	Sterling certificates of deposit (3 months)	Interest on US$ deposits in London (3 months)[5]	Building Societies Association recommended rate on shares[6]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares (1 July 1935=100): Price index	Dividend yield	Earnings yield[7]
1966		7	6 9/16	7 1/4 – 7 5/16	7	5	7 5/16 – 7 3/8	..	6·56	4·25	6·80	331·9	5·98	8·52
1967		8	6 5/16	7 3/4 – 7 7/8	8	6	8 1/16 – 8 3/16	..	6·31	4·25	6·69	355·0	5·36	6·69
1968		7	7 1/2	7 3/4	7	5	7 13/16 – 8	7 3/8 – 7 15/16	7·13	4·50	7·39	463·3	4·05	4·99
1969		8	11 5/16	9 – 9 1/16	8	6	9 3/8 – 9 1/2	9 1/8 – 9 1/4	10·06	5·00	8·88	419·8	4·43	5·82
1970		7	7 7/16	7 1/4	7	5	7 1/8 – 7 1/4	7 3/16 – 7 5/16	6·56	5·00	9·16	361·0	4·75	6·54
1971		5	5 3/4	4 1/2 – 4 5/8	4 1/2	2 1/2	4 5/8 – 4 3/4	4 5/8 – 4 3/4	5·75	5·00	9·05	386·2	4·76	6·21
1972		9	5 15/16	8 3/4	7 1/2	5 3/4	8 7/8 – 9 1/16	8 15/16 – 9 1/16	5·91	5·25	9·11	503·8	3·26	4·98
1973		13	10 3/8	16 –16 1/8	13	9 1/2	16 1/16 – 16 5/16	15 3/4 –16	10·19	7·50	10·85	435·6	4·12	..
1974		11 1/2	10 1/2	13 1/4	12	9 1/2	12 1/16 – 12 1/8	12 3/8 –12 3/4	10·06	7·50	14·95	251 2	8·23	21·47
1975		11 1/4	6 1/16	11 1/4 –11 3/8	11	7	11 1/16 – 11 3/16	11 –11 1/8	5·88	7·00	14·66	311·0	6·81	19·49
1976			5 1/16							7·80				
1974	*A*	12	11 5/8	13 1/2 –13 3/4	12 1/2	9 1/2	13 7/16 – 13 5/8	13 9/16 – 13 11/16	11·69	7·50	14·61	290·0	6·40	16·33
	M	11 3/4	11 7/8	12 3/8 –13	12	9 1/2	12 11/16 – 12 7/8	12 3/4 –12 7/8	11·88	7·50	14·11	296·6	6·67	17·21
	J	11 3/4	13 1/2	13 1/4 –13 1/2	12	9 1/2	13 1/8 – 13 1/2	13 7/16 – 13 9/16	13·50	7·50	14·73	267·5	7·49	19·35
	J	11 3/4	13 3/8	13 3/8	12	9 1/2	13 3/8 –13 9/16	13 7/16 – 13 9/16	13·56	7·50	15·13	254·8	7·81	20·74
	A	11 3/4	13 15/16	12 5/8 –12 3/4	12	9 1/2	12 1/2 –12 5/8	12 1/2 –12 5/8	13·94	7·50	15·65	222·9	8·91	23·94
	S	11 1/2	12 3/16	12 1/4	12	9 1/2	11 13/16 – 12 1/8	11 7/8 –12	12·19	7·50	15·14	203·5	9·86	26·37
	O	11 1/2	10 3/16	11 3/4	12	9 1/2	11 1/2 –11 3/4	11 9/16 – 11 11/16	10·12	7·50	15·93	199·4	10·12	27·16
	N	11 1/2	10 5/8	12 3/4 –12 7/8	12	9 1/2	12 1/2 –12 3/4	12 9/16 – 12 11/16	10·62	7·50	16·89	181·0	11·09	30·10
	D	11 1/2	10 1/2	13 1/4	12	9 1/2	12 1/2 –12 13/16	12 5/8 –12 3/4	10·06	7·50	17·10	160·1	12·59	34·19
1975	*J*	11	7 7/16	12 –12 1/4	11 1/2	9 1/2	11 3/4 –12	11 13/16 – 11 15/16	7·44	7·50	16·03	183·7	10·99	30·28
	F	10 1/2	7 5/16	11 1/2	11 1/2	9	10 3/4 –11	10 3/4 – 10 7/8	7·31	7·50	14·94	262·6	7·56	21·66
	M	10	7 1/8	10 1/2	10 1/2	7 1/2	9 7/8 –10 1/16	9 7/8 –10	6·97	7·50	13·92	292·6	6·80	20·35
	A	9 3/4	6 15/16	9 3/4	9 1/2	6 1/4	9 9/16 – 9 7/8	9 13/16 – 9 15/16	6·94	7·50	14·58	314·9	6·51	19·30
	M	10	6 1/16	10	9 1/2	6 1/4	9 7/8 –10	9 13/16 – 9 15/16	6·06	7·50	15·22	339·0	6·12	18·09
	J	10	6 3/4	9 1/2 – 9 5/8	9 1/2	6 1/4	9 5/8 – 9 13/16	9 5/8 – 9 3/4	6·75	7·00	14·70	332·6	6·06	18·07
	J	11	7 1/8	10 1/2 –10 5/8	9 1/2	6 1/4	10 3/8 –10 1/2	10 1/2 –10 5/8	7·13	7·00	14·06	304·4	6·68	19·62
	A	11	7 3/8	10 1/2	10	6 1/2	10 3/8 –10 9/16	10 3/8 –10 1/2	7·50	7·00	14·12	298·3	6·94	19·91
	S	11	7 7/32	10 5/8 –10 7/8	10	6 1/2	10 1/2 –10 11/16	10 5/8 –10 3/4	7·53	7·00	14·08	328·9	6·31	17·58
	O	12	6 13/16	11 5/8 –11 3/4	11	7	11 9/16 – 11 3/4	11 7/16 – 11 1/2	6·81	7·00	14·90	341·9	6·14	16·88
	N	11 1/2	7 1/16	11 3/8 –11 7/16	11	7	11 1/8 –11 3/8	11 3/8 – 11 5/16	7·06	7·00	14·79	367·9	5·76	16·02
	D	11 1/4	6 1/16	11 1/4 –11 3/8	11	7	11 1/16 – 11 3/16	11 –11 1/8	5·88	7·00	14·86	365·8	5·74	15·98
1976	*J*	10	5 3/8	9 7/8 – 9 15/16	10 1/2	6 1/2	9 3/8 – 9 11/16	9 7/16 – 9 1/2	5·38	7·00	13·78	397·0	5·30	14·91
	F	9 1/4	5 3/8	9 – 9 1/8	9 1/2	5 1/2	8 3/4 – 8 7/8	8 11/16 – 8 13/16	5·63	7·00	13·54	404·2	5·17	14·99
	M	9	5 7/16	8 5/8 – 8 3/4	9 1/2	5 1/2	8 9/16 – 8 11/16	8 7/16 – 8 9/16	5·59	7·00	13·95	404·7	5·12	15·01
	A	10 1/2	5 9/16	10 1/8 –10 1/4	9 1/2	5 1/2	9 13/16 – 10 1/16	9 7/8 – 9 15/16	5·53	7·00	13·97	406·0	5·13	15·17
	M	11 1/2	6 3/8	11 1/4 –11 3/8	10 1/2	6 1/2	11 1/4 –11 11/16	11 5/16 – 11 7/16	6·63	6·50	13·72	406·6	5·26	15·19
	J	11 1/2	6 1/16	11 1/8 –11 1/4	10 1/2	6 1/2	11 1/8 –11 7/16	11 1/4 –11 3/8	6·09	6·50	14·01	378·6	5·69	16·14
	J	11 1/2	5 13/16	11 3/16 – 11 1/4	10 1/2	6 1/2	11 3/16 – 11 1/4	11 3/16 – 11 1/4	5·78	6·50	13·95	383·8	5·74	16·44
	A	11 1/2	5 11/16	11 1/8 –11 1/2	10 1/2	6 1/2	11 1/8 – 11 5/16	11 3/16 – 11 1/4	5·69	6·50	14·11	368·1	6·03	17·55
	S	13	5 5/8	12 3/4 –12 7/8	12	8 1/2	12 1/2 –12 3/4	12 1/2 –12 5/8	5·59	6·50	14·47	344·0	6·52	19·23
	O	15	5 7/16	15 1/4 –15 1/2	14	11	15 1/8 –15 3/8	15 3/16 – 15 1/4	5·44	6·50	15·43	293·6	7·61	23·07
	N	14 3/4	5 5/16	15 –15 1/4	14	11	14 3/4 –14 15/16	14 9/16 – 14 11/16	5·31	7·80	15·22	301·0	7·28	22·66
	D	14 1/4	5 1/16	14 3/4 –15	14	11	14 1/8 –14 5/8	14 1/16 – 14 1/8	5·06	7·80	14·82	328·6	6·67	20·91
1977	*J*	12 1/4	5 1/4	12 3/8 –13 5/8†	13	9 1/2	12 1/8 –12 3/8	12 –12 1/16	5·25	7·80	13·67	374·7	6·01	18·69
	F	12	5 3/16	11 3/8	11 1/2	8	11 5/16 – 11 7/16	11 1/4 –11 3/16	5·19	7·80	13·47	393·8	5·83	18·77
	M	10 1/2	5 7/32	9 1/2 – 9 5/8	9 1/2	6 1/2	9 3/4 – 9 15/16	9 9/16 – 9 5/8	5·22	7·80	12·85	418·2	5·39	16·91
	A	8 1/4	5 5/16	8 1/8	9	4 1/2	7 13/16 – 8 1/16	7 13/16 – 7 7/8	5·31	7·80	12·55	415·1	5·51	16·82
	M													
	J													

[1] Previously known as Bank rate. With effect from 13 October 1972, the Bank's minimum lending rate to the market will normally be ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above; the rate normally becomes effective, for lending by the Bank, from the following Monday. For changes in Bank rate 1932–72 see *Supplement of Definitions and Explanatory Notes* to *Monthly Digest of Statistics*.

[2] For a minimum term of 3 months and thereafter at 7 days' notice.

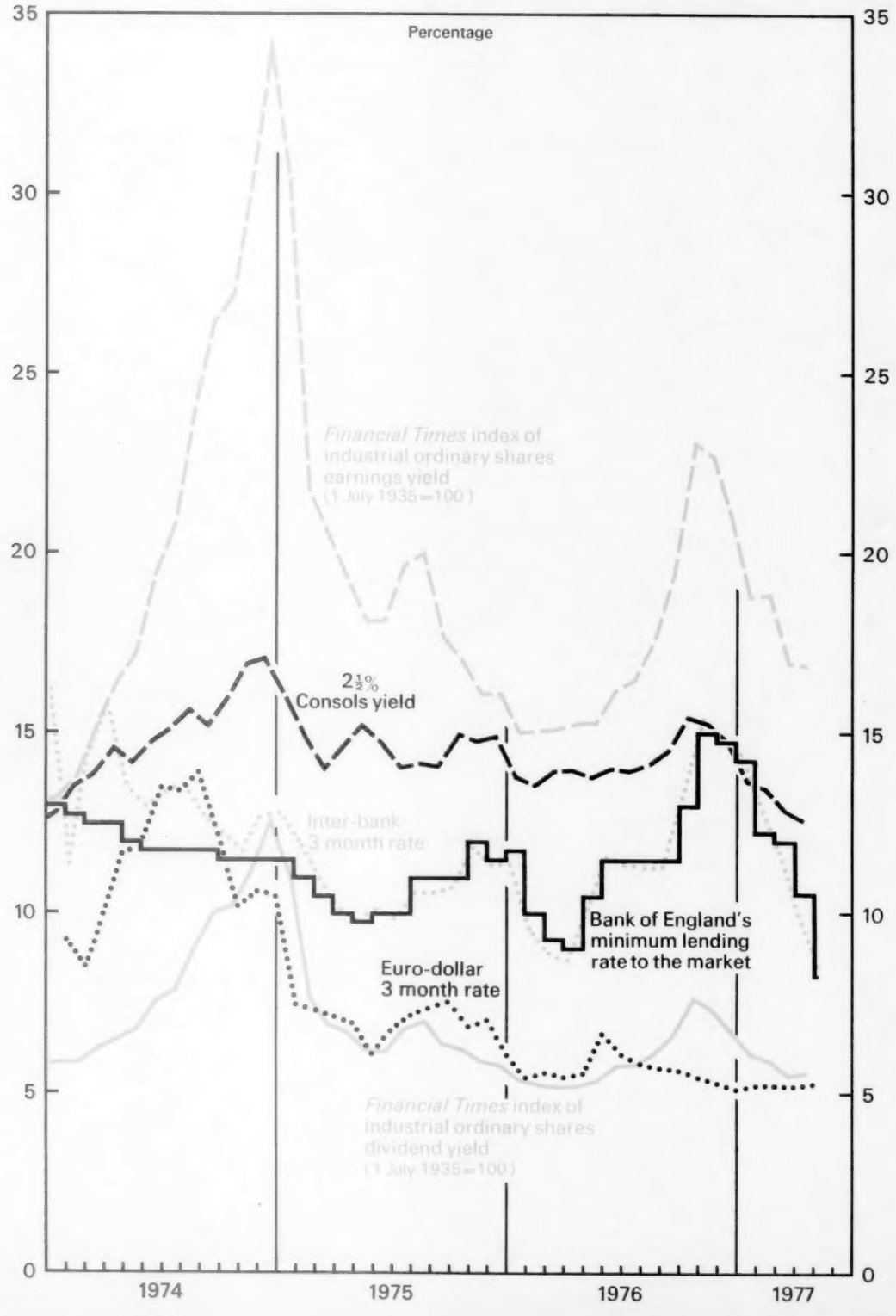
[3] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[4] Spread of rates over the day in the inter-bank sterling market.

[5] Middle-closing.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Notes and Definitions*. No meaningful average for the month of February is therefore available.


Percentage
35
30
25
20
15
10
5
0
Financial Times index of industrial ordinary shares earnings yield (1 July 1935=100)
2½% Consols yield
Inter-bank 3 month rate
Bank of England's minimum lending rate to the market
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield (1 July 1935=100)
1974
1975
1976
1977

Cyclical indicators for the UK economy

Recent movement of the indicators

(data available to 10 May 1977)

In April, the composite index of longer leading indicators rose again for the fifth successive month. There was a further sharp fall in the short-term interest rate, with a slight rise in the *Financial Times* Actuaries share price index. In March the number of housing starts recovered slightly from the very low figure recorded in February.

In March, the composite index of shorter leading indicators rose. There was a further increase in hire purchase new credit extended and, although new car registrations has been erratic in recent months, the smoothed value of this series also contributed to the increase in the composite index. This index is currently estimated to have risen steadily since the middle of last year. (See footnote.)

The composite index of coincident indicators fell in March. There was a small increase in those reporting below capacity working to the CBI along with a sharp fall in retail sales volume in that month. Having risen over the later part of last year, this index is currently estimated as having fallen in the last four months.

In April the composite index of lagging indicators continued its steady rise from May 1976. Both unemployment and vacancies contributed to the rise in this index.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude and inversion where appropriate.

Note: A change in the law concerning insolvencies has resulted in a sharp fall in the number of bankruptcies in the first quarter of 1977. This value has been ignored in the tables and charts as it would distort the behaviour of the shorter leading composite index

Most recent values of the composite indices[2]

January 1970 = 100

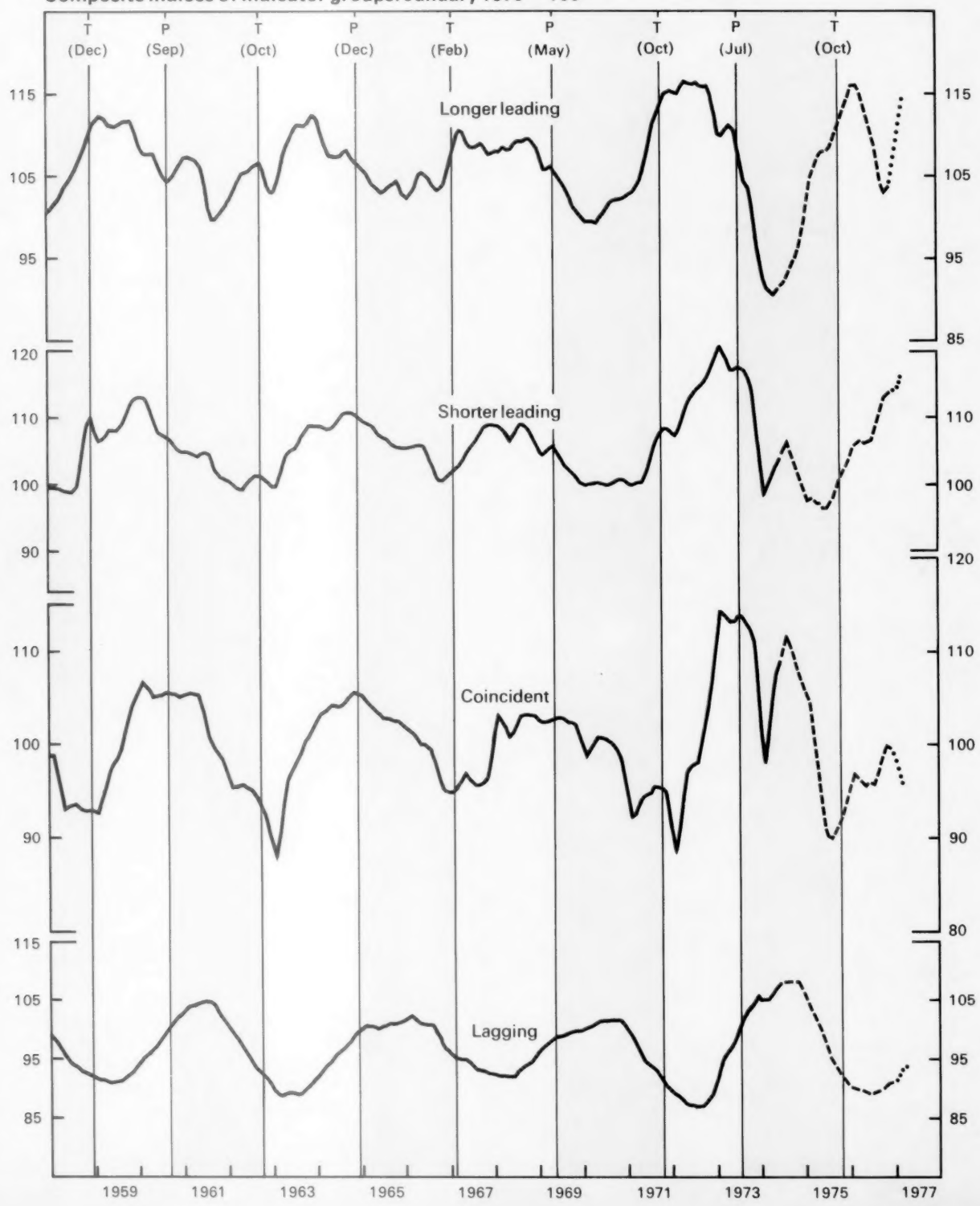
	1976								1977			
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April
Longer leading	114·0†	112·1	110·8	109·2	107·0	104·1	102·9	103·6	105·9	109·7	111·8	114·5
	4	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*3*	*3*	*3*	*2*
Shorter leading	106·2†	106·7	106·7	108·6	110·6	112·7	113·4	113·9	114·1	114·7	116·3	
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*	*2*	
Coincident	95·7†	96·1	95·9	96·7	98·0	99·3	100·0	99·8	98·8	97·6	96·0	
	6	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*3*	*3*	*2*	
Lagging	89·1†	89·2	89·3	89·6	89·8	90·2	90·9	91·0	91·5	92·5	93·6	94·1
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*2*	*2*	*2*	*2*

[1] A full explanation of the methodology used is given in *Economic Trends* for March 1975 and May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the Table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO Press Office 01–233 6193.

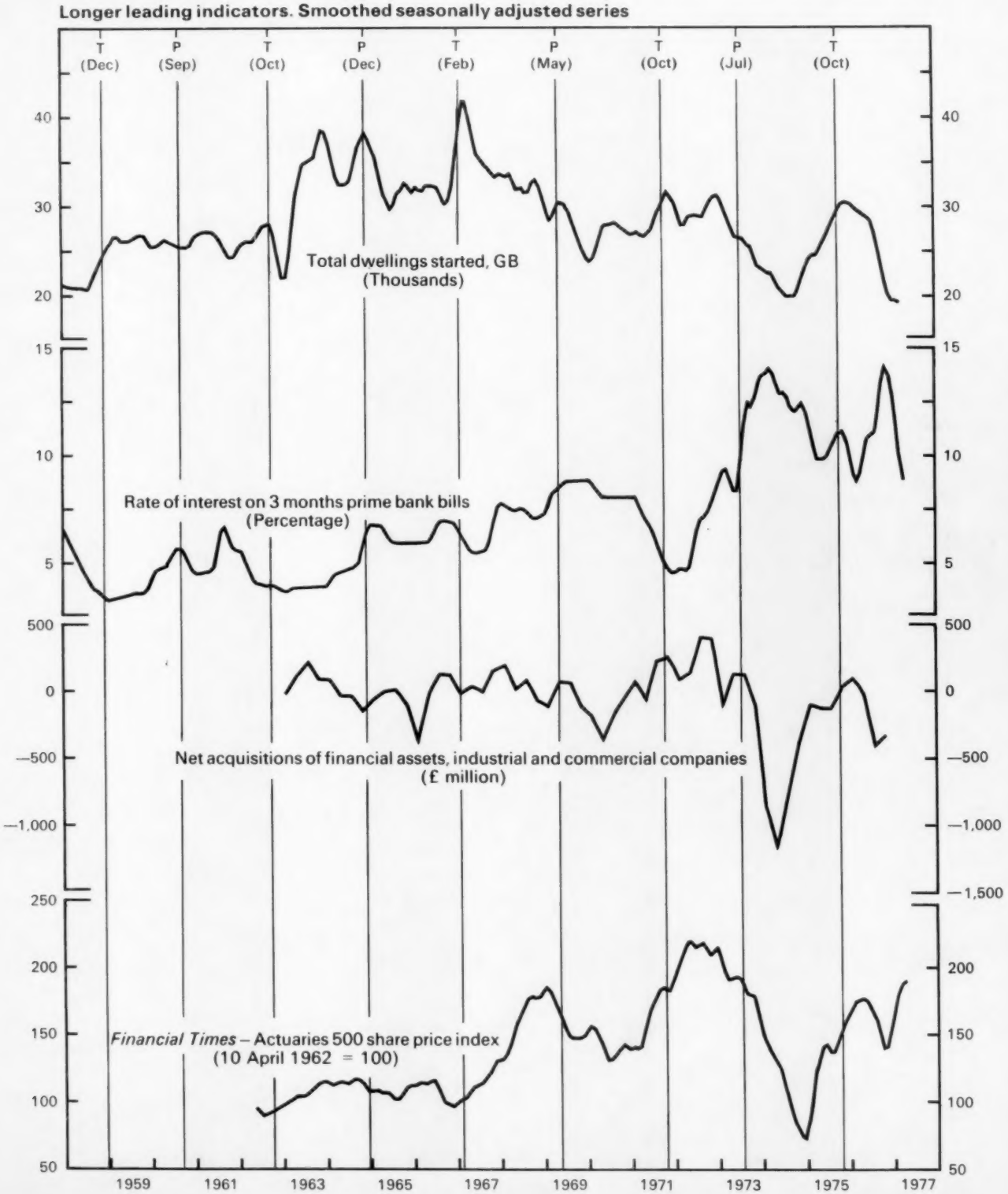
Cyclical indicators

Composite indices of indicator groups. January 1970 = 100



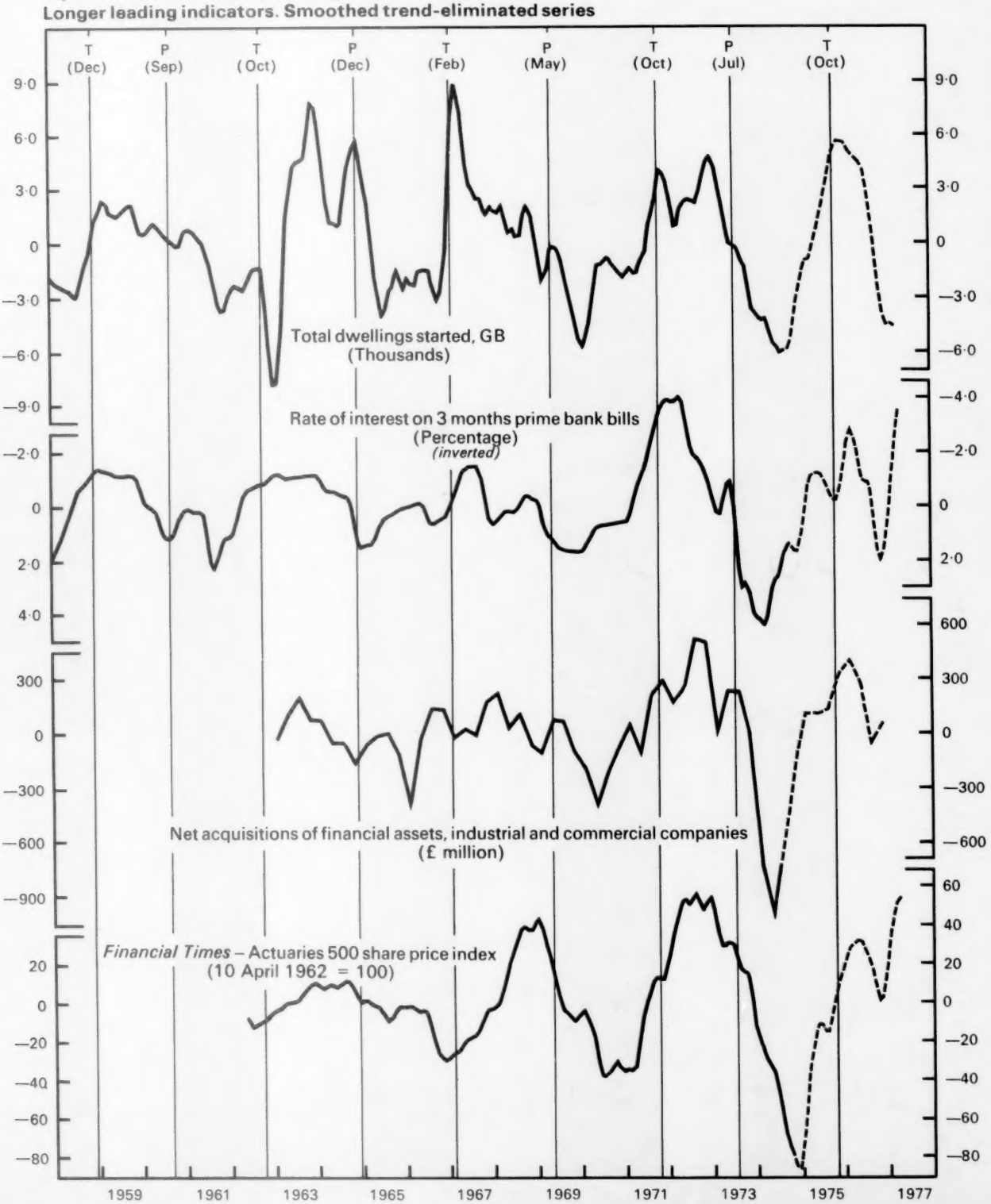
Cyclical indicators by timing classification

Longer leading indicators. Smoothed seasonally adjusted series



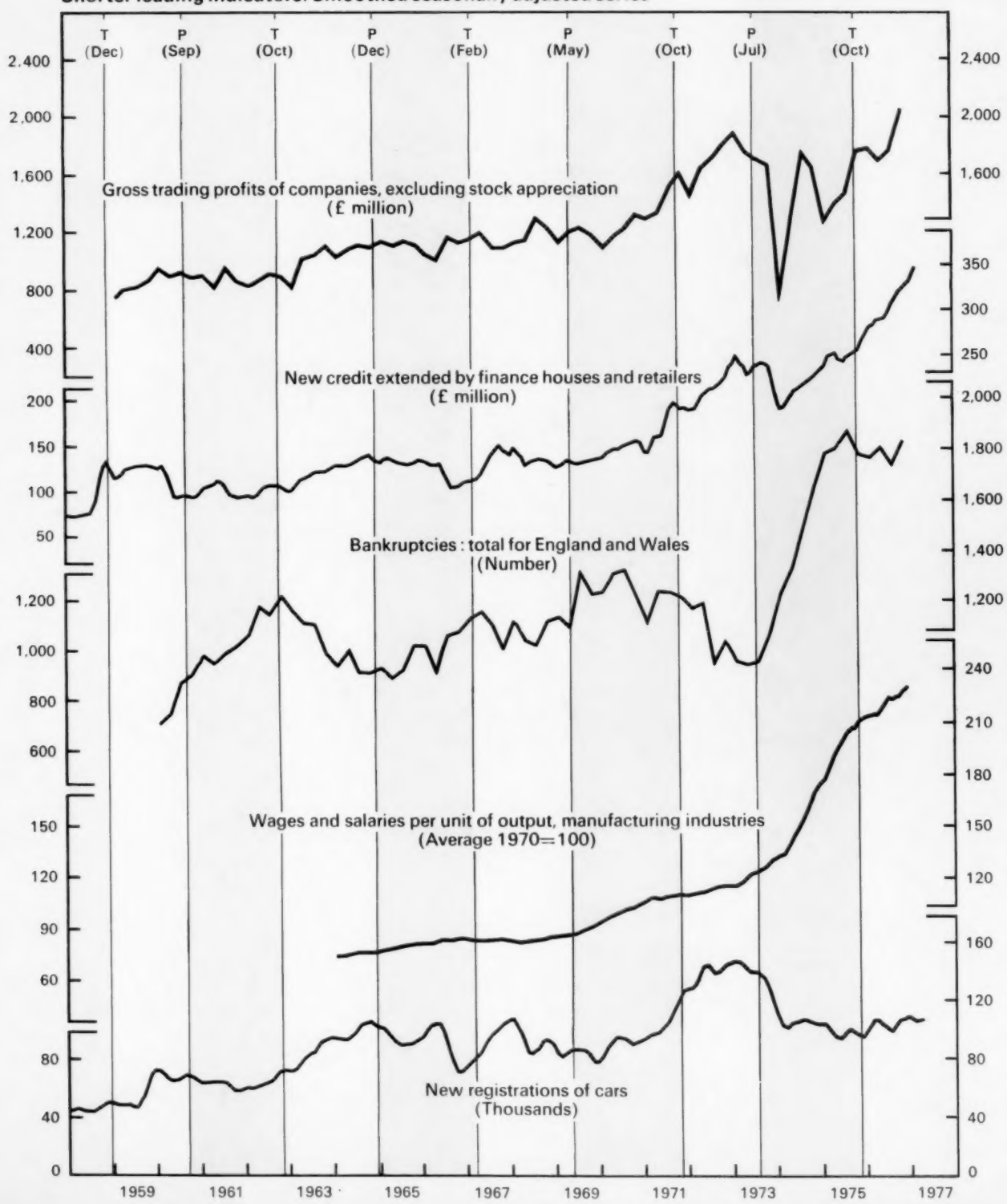
Cyclical indicators by timing classification

Longer leading indicators. Smoothed trend-eliminated series



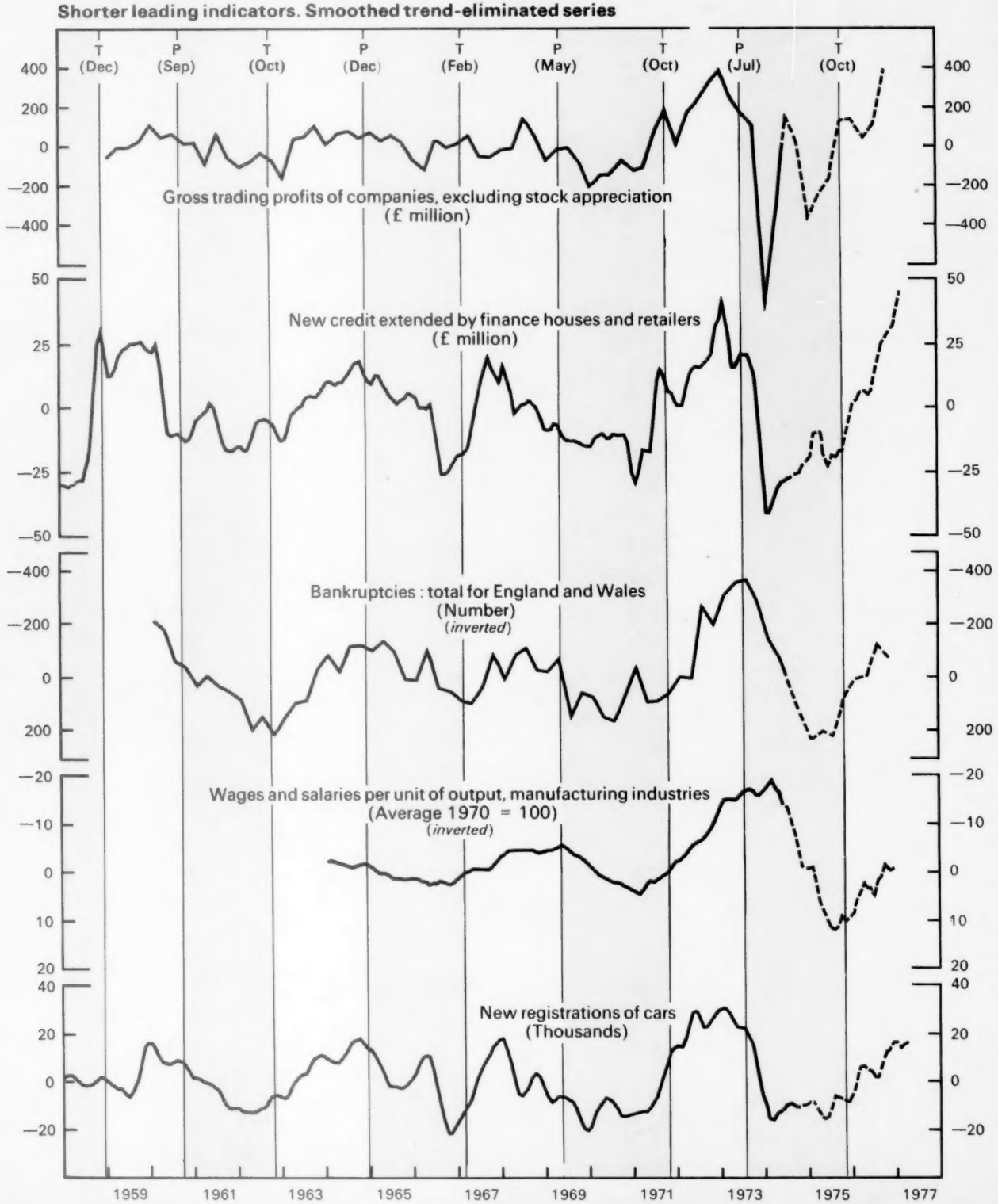
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed seasonally adjusted series



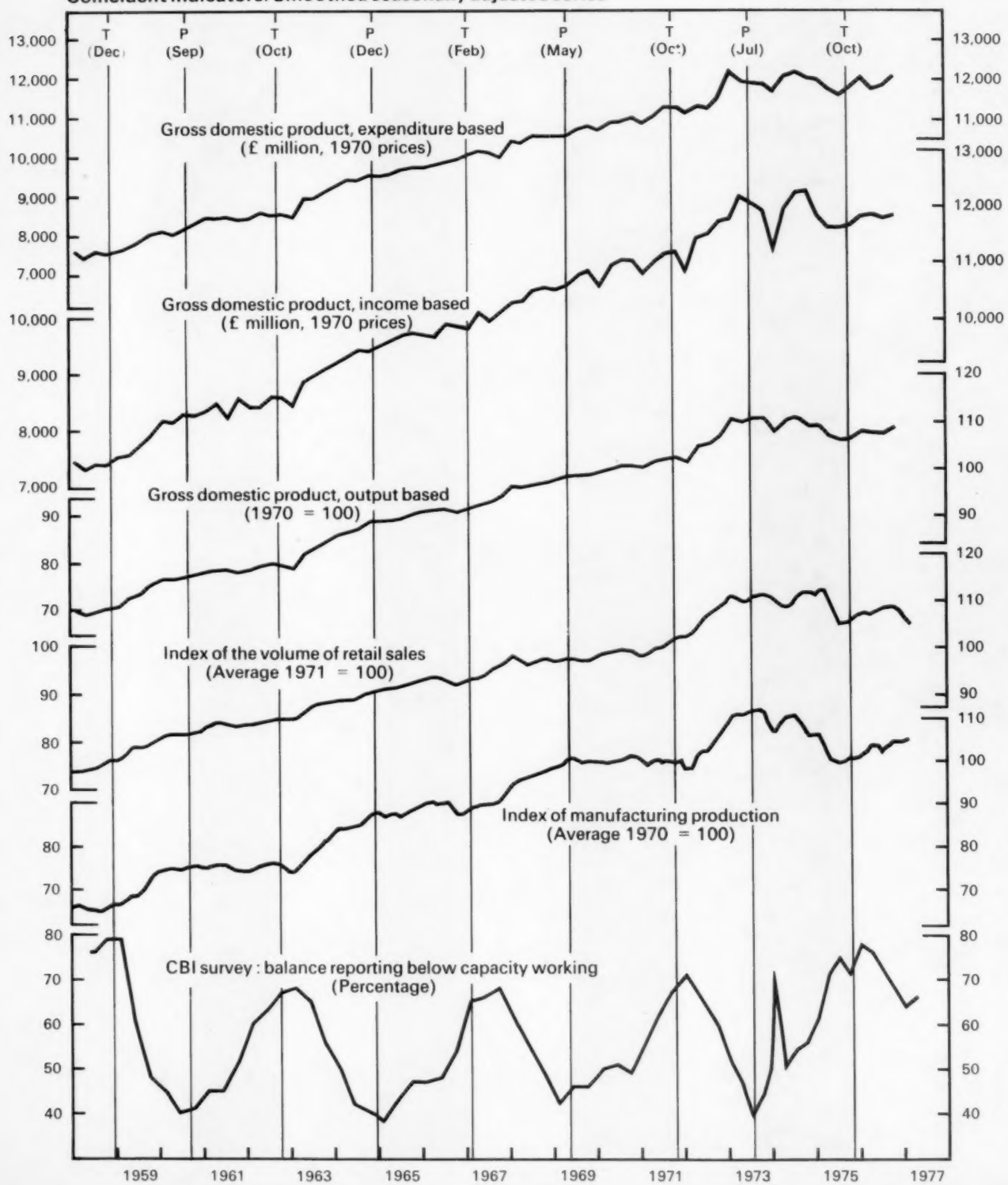
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed trend-eliminated series



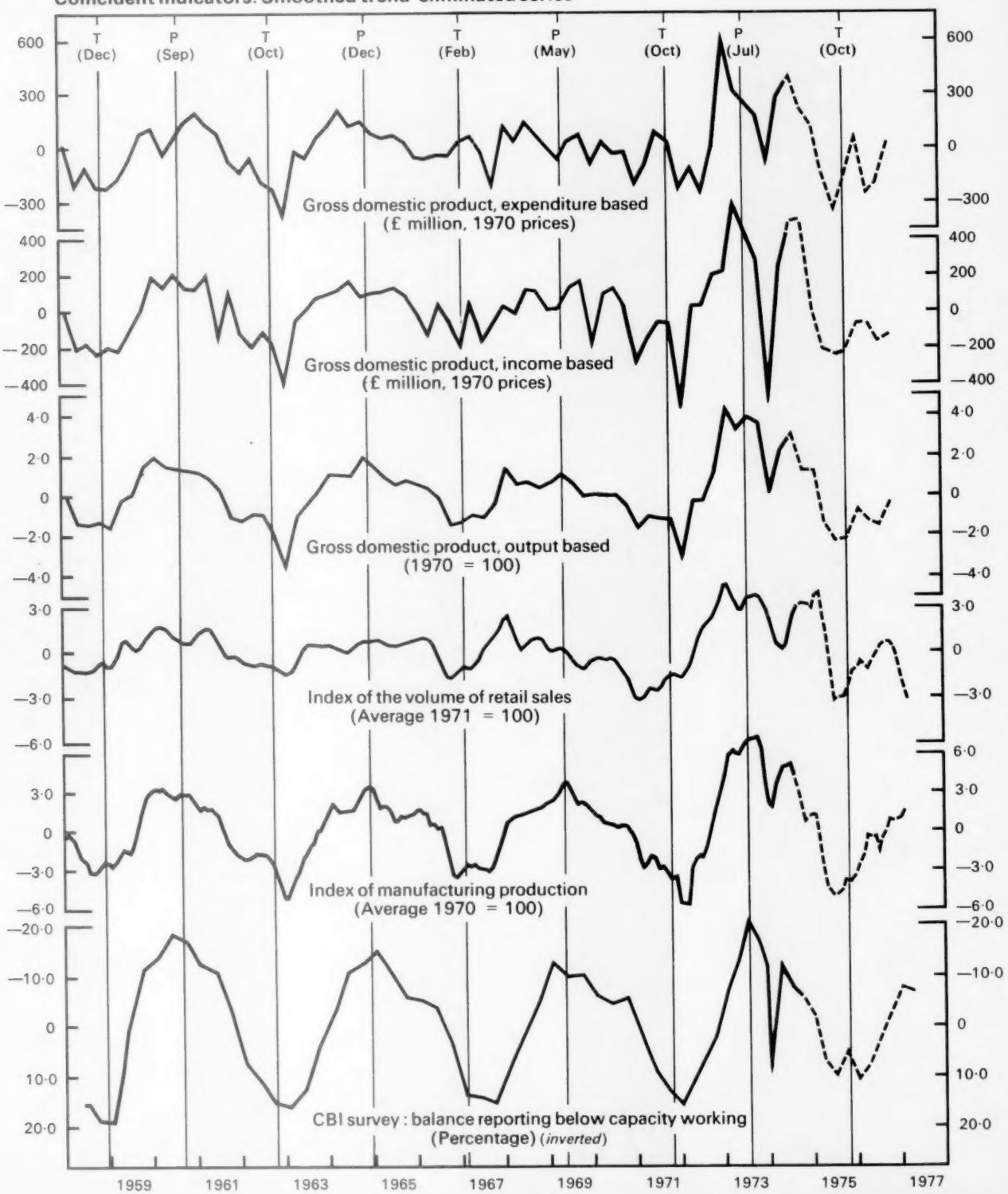
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



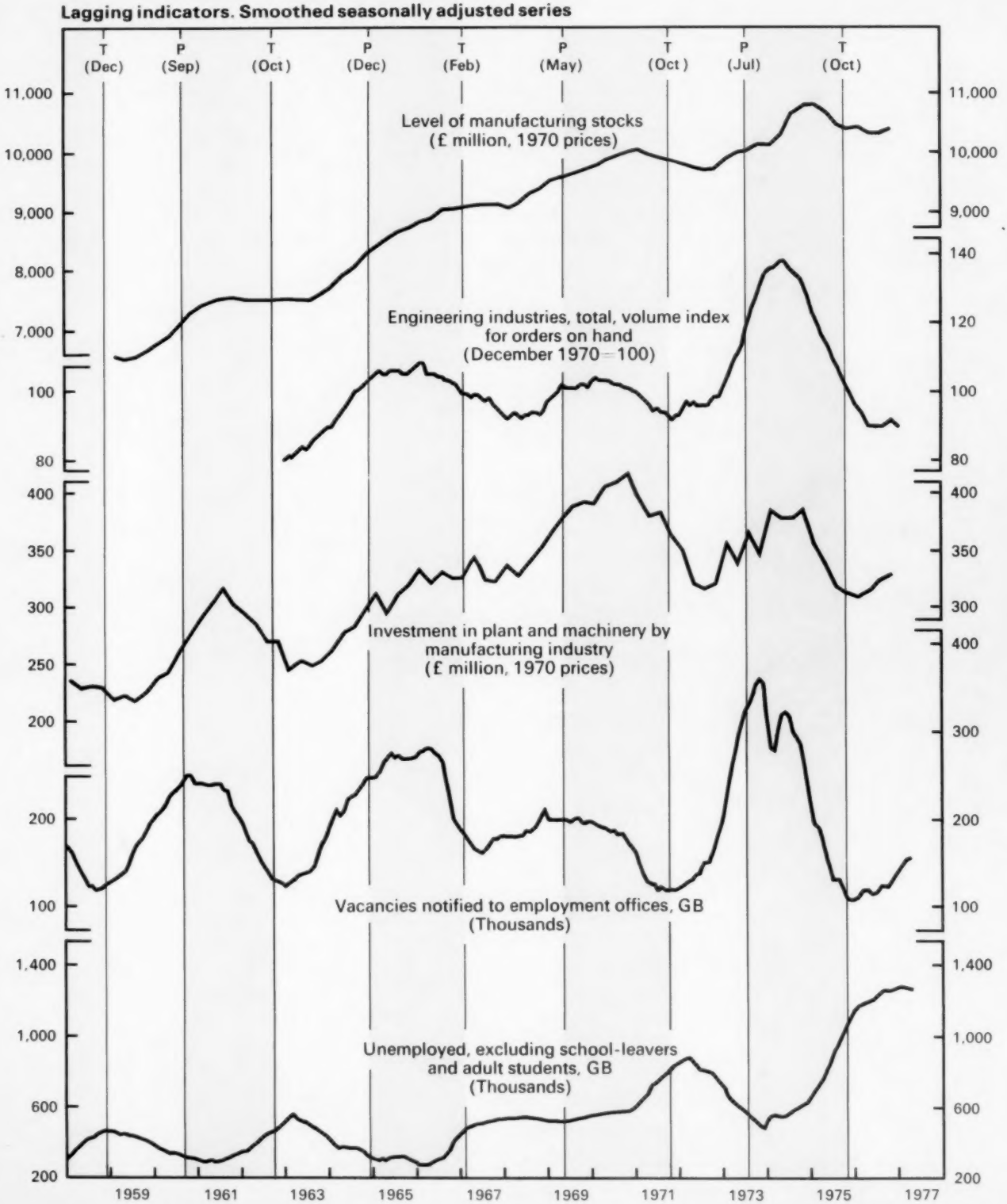
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



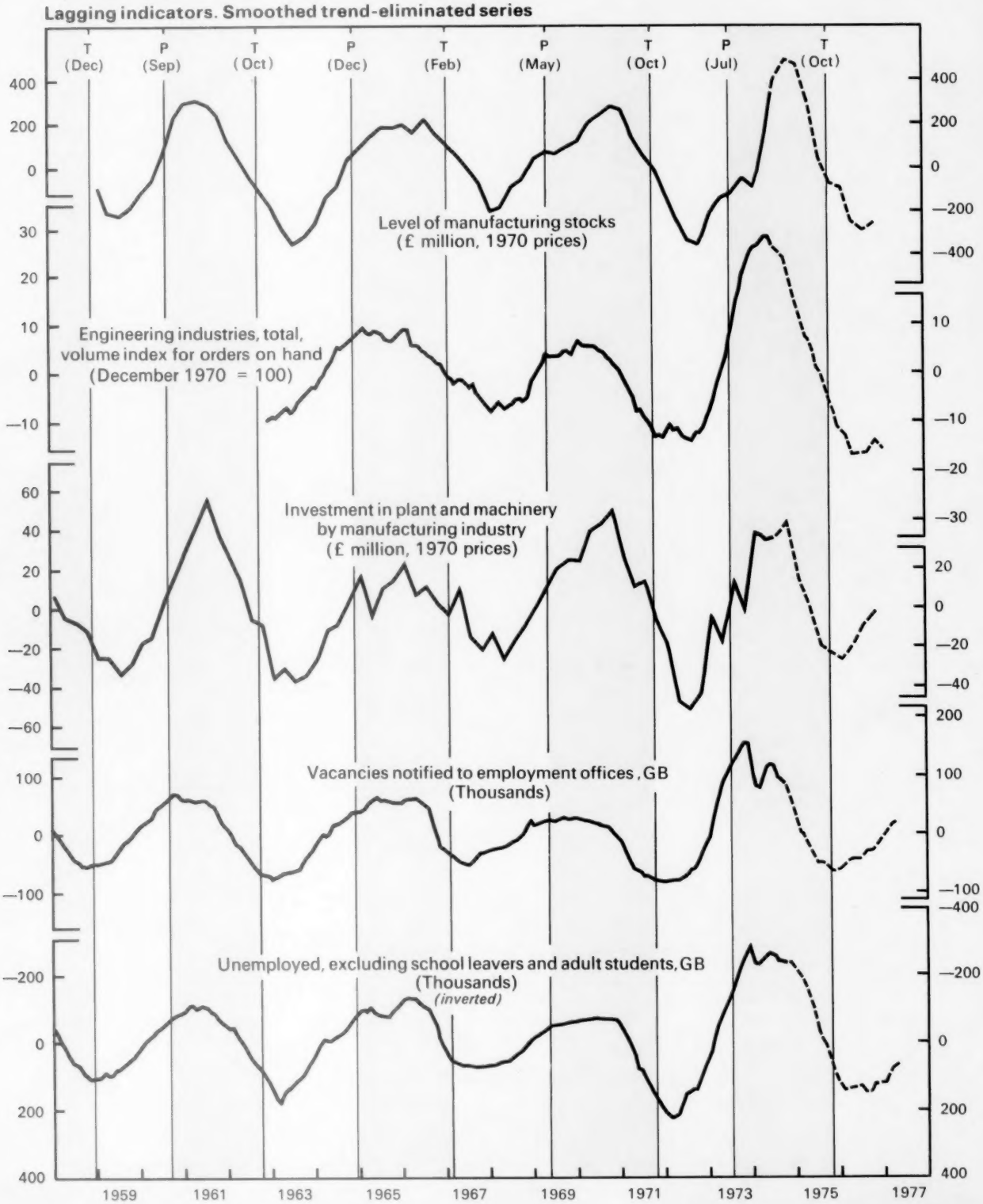
Cyclical indicators by timing classification

Lagging indicators. Smoothed seasonally adjusted series



Cyclical indicators by timing classification

Lagging indicators. Smoothed trend-eliminated series



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1970 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1966 to 2nd quarter 1976	1·4	1·0	0·8	1·2	2	0·6
Income based	6	" " " " " " "	1·3	0·9	0·9	1·0	2	0·4
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·2	0·8	0·8	1·0	2	0·4
Consumers' expenditure	8,10	" " " " " " "	1·2	0·7	0·8	0·9	1	0·9
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·6	1·1	1·5	2	0·6
Manufacturing industry	18	" " " " " " "	3·4	2·6	2·4	1·1	2	0·3
Stockbuilding[2]								
Total	8,22	" " " " " " "	*104·3*	*75·7*	*60·8*	1·2	2	0·6
Manufacturing	22	" " " " " " "	*79·2*	*52·6*	*39·7*	1·3	2	0·6
Exports: goods and services	8	" " " " " " "	3·8	2·9	2·1	1·4	2	0·6
Imports: goods and services	8	" " " " " " "	3·0	2·2	1·8	1·2	2	0·5
Personal disposable income	10	" " " " " " "	1·8	1·3	1·1	1·2	2	0·5
Other national income series								
Gross trading profits of companies	58	" " " " " " "	4·4	2·6	3·2	0·8	1	0·8
Other quarterly series								
Construction output	30	1st quarter 1963 to 4th quarter 1974	2·1	1·2	1·3	0·9	1	0·9
Money stock (M_3)[3]	50	1st quarter 1963 to 4th quarter 1974	2·7	0·5	2·7	0·2	1	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to November 1976	1·0	0·6	0·7	0·9	1	0·9
Total: constant prices	5,12	" " " " "	0·7	0·6	0·3	2·5	3	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	3·3	4	0·9
Clothing and footwear shops	12	" " " " "	2·1	2·0	0·3	6·0	6	
Durable goods shops	12	" " " " "	1·8	1·6	0·7	2·1	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·4	2·7	3	0·9
Cars: new registrations	5,12	January 1971 to December 1976	7·6	7·2	1·9	3·8	5	0·9
Housing: public authorities[4]								
Starts	20	January 1956 to December 1976	11·7	11·4	1·7	6·8	6	
Completions	20	" " " " "	7·9	7·7	1·1	7·2	6	
Housing; private								
Starts	20	" " " " "	8·2	7·8	2·4	3·3	4	0·9
Completions	20	" " " " "	6·0	6·0	0·9	6·4	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1968 to August 1976	1·0	0·9	0·4	2·6	4	0·8
Manufacturing industries	26	" " " " "	1·2	1·1	0·4	2·8	4	0·7
Passenger car production:								
Home market	32	January 1968 to October 1976	11·8	11·7	1·9	6·1	6	
Export	32	" " " " "	10·9	10·8	0·9	12·6	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·5	9·2	1·4	6·4	6	
Export	32	" " " " "	10·8	10·5	1·5	7·1	6	
Unemployed excluding school-leavers[5]	5,36	January 1961 to December 1975	*13·6*	*4·2*	*12·7*	0·3	1	0·3
Vacancies notified to employment offices[5]	5,36	January 1960 to December 1975	*6·3*	*2·6*	*5·6*	0·5	1	0·5
Average earnings all industries and services covered	5,40	January 1963 to June 1976	1·0	0·4	0·9	0·5	1	0·5
Exports: value, f.o.b.	5,46	January 1963 to December 1975	3·3	3·0	1·2	2·6	3	0·8
Imports: value, f.o.b.	5,46	" " " " "	3·0	2·6	1·3	2·0	3	0·6

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in the August 1972 issue of *Economic Trends*. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3] and [5].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which I/C is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

Articles

Title	Page
Improvements to the engineering series for the index of production	78
Department of Industry survey of company liability: comparison with the financial accounts	87
Public sector debt statistics	100

Improvements to the engineering series for the index of industrial production[1]

INTRODUCTION

This article presents revised series for the engineering components of the index of industrial production and describes the changes in methodology which gave rise to the revisions. Tables 1–4 and the chart present the revised series quarterly from 1970, before seasonal adjustment, for each of the three broad engineering sectors: Standard Industrial Classification (SIC) Order VII, mechanical engineering; Order VIII, instrument engineering and Order IX, electrical engineering. Annual index numbers of production at separate engineering industry level are published at Table 5 for the first time. Quarterly index numbers for these 33 MLH or sub-MLH industries are also now available on request.

The sizes of the revisions are shown at Tables 1 to 4 for each of three types of change. The first is an improved method of applying the wholesale price indices to the current values of sales to derive more accurate volume indices. The second involves modifications to the data and its processing, involving: enhanced agreement between monthly and quarterly inquiry information; some industrial reclassification of productive establishments; and the estimation of improved coefficients linking the present inquiry data, which commenced in 1972, to earlier series. The third relates to a change in the adjustments for the number of working days in each month.

Total effects of the revisions

The overall effects of the revisions vary in different years in scale and direction between the three sectors. The effect on combined engineering is greatest in early 1975 when an upward revision of 4½ per cent occurs. The change to the mechanical engineering series is slightly larger than this and to electrical engineering much smaller; there are substantial upward revisions to the relatively small instrument engineering industry. The greatest effect upon the unadjusted index of all industrial production has been to raise its level by less than one per cent (in 1975) and to increase the output measure of gross domestic product (GDP) by one third of one per cent. The maximum effect on the compromise measure of GDP is no more than 0·1 per cent.

BACKGROUND

The Department of Industry publishes monthly figures of the volume of sales and orders in the engineering industries (Orders VII, VIII and IX of the Standard Industrial Classification). The statistics are derived from the results of a monthly inquiry which is sent out to all establishments with more than 100 employees in mechanical and instrument engineering and with more than 200 employees in electrical engineering. (For a full description see 'Statistics of deliveries and orders in the engineering industries'; *Economic Trends*, (HMSO) April 1972.) This inquiry asks for the establishment's sales in each month, the value of orders-on-hand at the end of each month, and how much of both of these are for export. The statistics are collected in current price terms and deflated to volume terms by using wholesale price index numbers. The volume estimates for total sales of the engineering industries are published as components of the index of industrial production and in total they account for more than 18 per cent of the net output of the whole industrial sector and a quarter of the net production of all manufacturing industry. In view of the importance of these series, a programme of work to improve their accuracy and quality has recently been undertaken. This article describes briefly the changes made insofar as they affect the index of production; a more detailed description together with a discussion of the implications for the indices of sales, orders-on-hand and new orders (published in *Business Monitor PM 33–36*) will be given in *Studies in Official Statistics No 32*, to be published later this year.

The problem of price deflation

There were two types of problems requiring consideration. The first is the deflation of the current price sales figures to obtain a constant price volume series. As is mentioned in the notes to the commentary released each month with the index of production figures, the problems associated with this procedure become more serious when the rate of change of prices is large or is itself changing rapidly. One difficulty which is particularly acute for the engineering industries concerns timing differences between the sales figures (which measure the current values of engineering products when completely manufactured and despatched to the purchaser) and the wholesale price indices, which generally reflect the price quoted for a good at the time it is ordered. Many engineering goods have long production periods, and so a considerable time may elapse between order and delivery. Hence a wholesale price index for an engineering product in a particular month would not be appropriate to deflate sales in the same month, since under most pricing methods the sales would reflect a price fixed some months earlier. It follows that, in a time of inflation, the delivery price is usually less than the new order price in the same month. The wholesale price indices currently used to deflate sales, which until now had not been applied with a time lag, thus have consistently overestimated the true sales deflators, and the volume of sales has been underestimated. As the volume of sales is presented in index number form based on 1970=100, indices for subsequent years are almost correct so long as the rate of inflation is similar to that in 1970. When the rate of inflation increased from about the beginning of 1974, the inaccuracy became more serious, and it was decided that corrective action should be undertaken for the engineering industries. The problem may occur for a few goods outside engineering but is not nearly so important, as the time between order and delivery is

[1] The detailed survey and analytical work involved and the preparation of this article mainly reflect the efforts of Statisticians Reg Ward and Graham Jenkinson and Senior Assistant Statistician Pauline Tunnell, Departments of Industry, Trade and Prices and Consumer Protection – Common Services.

not generally so long in, for instance, the chemical, metal goods or textile industries. For other industries the deflation problem does not arise because alternative types of volume indicators are used – numbers of motor vehicles, tonnage and other quantitative information for many other industries.

Data and processing problems

The second group of problems are mainly concerned with the handling and processing of the data. Some arose when the results of the monthly inquiry were compared with the results of the quarterly production inquiries and found to diverge. Several causes of the discrepancies between the two series were identified, as described below, and steps were taken to reconcile the two inquiries, as far as possible. Another difficulty arose from the method of reclassifying firms from one industry to another when their product mix changed. In the past this has been carried out in a manner appropriate to an index based on principal products of an industry rather than to an index based on all products of establishments in that industry, as required for incorporation into the index of industrial production. In the engineering sector, the latter practice had been adopted since the beginning of 1976 and it was now decided to apply this method to the data of earlier years, which necessitated revisions throughout the whole series. It was also necessary to adopt a consistent practice in the method of 'linking' since 1970. In the early years of the inquiry when processing was carried out manually the method used had necessarily been relatively simple. Although it was later improved, any errors introduced in the earlier periods would continue to affect the level of the series up to the latest month. It was therefore decided that the past data should be reworked with the improved computer method curently in use. For two industries where the wholesale price indices were considered to be rather weak, more appropriate indices were adopted. Finally, the adjustments made to eliminate variation in the length of calendar months – the 'working day correction' – were revised.

Need for industry detail

In the past, index numbers of production for separate minimum list heading (MLH) engineering industries have not been published owing to various deficiencies in the data, which have always been more serious for the individual industry series than for broader groupings of industries, which have long been published at SIC Order level. An important objective in the revisions reported in this article has been the need to strengthen individual industry data sufficiently to warrant publication of both the index numbers of production of the separate series shown at Table 5 and, at a later date, to make available statistical series of engineering sales and orders, each for home and export markets, at a similar level of industrial disaggregation.

Most of the problems previously mentioned have a greater effect on the individual industry series than on those of the three SIC Orders. This is because within the latter there is a tendency for inaccuracies in certain industries (for example those due to linking, misclassification of establishments and differences between monthly and quarterly inquiry results; but not inaccuracies of price deflation and working day adjustments) to offset or cancel out opposing errors in other industries within the same SIC Order. It was important to deal with the problems and enable reliable index numbers of production for separate engineering industries to become available for general use. Quarterly index numbers from 1970 are now obtainable on request for each of the 33 series shown at Table 5, which also gives an address for applications.

ENGINEERING PRICING SURVEY

In order to correct the bias in the deflators for sales, information was required on the time lag between the ordering of a good and its subsequent delivery, and on the methods used in setting the selling price. A survey was accordingly carried out during late 1975 and early 1976 among the respondents to the monthly engineering inquiry.

Firms were asked to give a breakdown of their sales in October 1975 by the length of time between order and delivery and to apportion them between each of the three pricing methods described below. Home and export sales were analysed separately. Companies who could not supply this information from their records were offered the alternative of analysing orders received in October 1975 by expected date of delivery.

The survey was a sample one, stratified by industry and by size of establishment. A joint criterion, employment and sales, was used to select the largest firms in each industry – generally about 8 – and the sample list was made up to about 15 by random selection from the remainder of the firms on the dispatch list for the monthly engineering inquiry in October 1975. The response rate was 62 per cent measured by number of forms returned and 57 per cent measured by employment. As the sample covered 52 per cent of employment by firms above the cut-off limit for the monthly inquiry, the overall coverage of the engineering industry was about 30 per cent. There was sufficient response in every industry for the survey results to be considered representative. Comparison with the returns from the monthly engineering inquiry suggested that no significant bias had occurred through non-response. This comparison also provided a rough check on the plausibility of the order-delivery lags reported in the pricing survey.

Information obtained from the survey

The replies to the survey were aggregated for each industry and SIC Order to produce an analysis of the value of sales in October 1975, broken down to show how much of the sales was ordered in that month and in each previous month; these values were converted into proportions so as to represent the distribution of order-delivery lags.

Respondents to the survey were asked to give a breakdown of their sales between the three main methods of pricing used in the sales contracts, *viz:*

a fixed pricing. The selling price is fixed at time of order and is reported to the wholesale price inquiry on that basis. For such goods the sales deflator is obtained by lagging the wholesale price indices by the whole of the order–delivery lag.

b price ruling at date of delivery or price to be agreed at delivery. The selling price is assumed to correspond to the wholesale price index at the time of delivery. There is thus no need to lag the wholesale price indices to serve as a suitable sales deflator for these goods.

c price determined by a formal contract price adjustment (CPA) clause agreed at time of order. A fixed price is quoted on order, but is adjusted up or down depending on movements in the price of labour and materials so that the price finally charged reflects the manufacturer's costs during the period of production. In general the fixed price quoted at time of order is reported to the wholesale price inquiry and goes into the wholesale price index. From an examination of a standard CPA clause used by many respondents, such as the one recommended by the British Electrical and Allied Manufacturers' Association, it was clear that sales priced in this way need to be deflated by the wholesale price index relating to some point of time between order and delivery. The appropriate point could be approximately identified from the details of the CPA clause reported by each respondent.

USE OF SURVEY RESULTS IN PRICE DEFLATION

The information given by respondents about their use of these three pricing methods was combined with the distribution of order-delivery lags (see 'Information obtained from the survey' above) in a form in which it could be applied to the wholesale price indices to produce sales deflators which take account both of the lag between order and delivery and the extent to which the different pricing methods are used by firms in the engineering industries. This method of price deflation can be correctly used on a continuing basis only if it is assumed that there is no change in pricing methods and that the average order-delivery lag remains unchanged. In fact pricing methods and order-delivery lags do change. An indication of changing pricing methods over the last two years was obtained from a supplementary question asked in the pricing survey. This showed that most (about 80 per cent) of the firms had not varied their pricing methods in the two years prior to the survey and that few firms were considering any changes in their pricing policy over the subsequent two years. The indication that pricing methods are not expected to change over the next two years provides some confidence that the proposed methodology will not be out-dated in the near future. These methods will be kept under review.

The general validity of sales deflators derived from information relating to October 1975 (which was close to the bottom of the economic cycle for the engineering industries) is highly dependent on the length of the average order-delivery lag. Since this can double between the trough and peak of the economic cycle, some means of adjusting for changes in the October 1975 pricing lag over the economic cycle is required. Information for this purpose can be obtained directly from the monthly engineering inquiry using basically the ratio of the value of the order book to the value of sales as a measure of the order-delivery lag. An estimate of the order-delivery lag is obtained each month by calculating the number of months of future sales that equate to the size of the order book. The ratio of the order-delivery lag thus calculated to the order-delivery lag in October 1975 provides a means of adjusting the standard pricing distribution to take account of the change in the lag over the economic cycle.

As the sales deflator is derived from current and past values of the wholesale price index, in a period of inflation it is initially always somewhat less than the wholesale price index. However, on rebasing so that 1970 prices on the sales basis (rather than on the order basis) equal 100, the sales deflator in some cases becomes greater than the wholesale price index and so the volume figures resulting from the new deflator can in some instances be lower than those previously obtained.

Effects of revised price deflators

The effect that the introduction of the lagged deflators has on the index of industrial production follows a fairly similar path for each SIC Order, but the changes are of differing magnitudes (see column 2 of Tables 1 to 4). For mechanical engineering the revised deflators make little change to the index of production in 1970 and 1971; in the following year the volume is decreased by about 1 per cent rising to a maximum of $1\frac{3}{4}$ per cent in early 1973, after which the decrease falls to $\frac{1}{3}$ per cent by the end of that year. From 1974 when inflation started to grow rapidly the new lagged deflators increase the volume index, rising from $1\frac{1}{3}$ per cent at the beginning of the year to around 5 per cent in early 1975 after which it falls away; the volume is in fact decreased by 0·1 per cent by the end of 1976. The pattern for instrument engineering is similar to mechanical engineering except that the largest reduction in the volume of sales which occurs early in 1973 is of the order of $\frac{1}{4}$ per cent and the maximum increase in the volume is 5 per cent in mid-1975, decreasing to 0·2 per cent at the end of 1976. For electrical engineering the effect is again similar, with the largest reduction in the volume of sales of 1 per cent occurring in early 1973 and the largest increase of 3 per cent in mid-1974 to mid-1975, declining to $1\frac{1}{2}$ per cent by the end of 1976. For the combined engineering industry the introduction of lagged deflators produces a reduction in the volume of sales in early 1973 of a little over $1\frac{1}{4}$ per cent. The largest increase in the volume is over 4 per cent, occurring in early 1975 and declining to an increase of $\frac{1}{2}$ per cent at the end of 1976.

RECONCILIATION OF MONTHLY AND QUARTERLY INQUIRIES

In addition to the monthly engineering inquiry which collects a limited amount of data from the larger establishments, a comprehensive system of quarterly sales inquiries is conducted. These cover smaller establishments also and collect detailed product information for the engineering (and most other) industries. A major objective of the quarterly inquiries is to provide the definitive series for the relevant components of the index of industrial production. The results of the monthly sales inquiries, which give an estimate of the month by month movement in the index, need to be reconciled with and tied into the results of the quarterly inquiries. Until recently it has not been possible to apply resources to such a reconciliation for the engineering industries. A special examination has now been made of the causes of the differences in order to eliminate them in the future and as far as possible correct them for the past. This examination indicated that the incongruence resulted from a number of factors – the incorrect classification of firms; discrepancies between the registers used for the two inquiries; and differences between the information reported to the monthly and quarterly inquiries by the same firm.

The important problem of the correct classification of firms was recognised some time ago and allowed for in the quarterly inquiries in early 1974 but at that time no changes could be made to the monthly inquiry. On the one hand, this was a more difficult operation since for the generation of index numbers it is essential to carry out the corrections back to the base year. On the other hand, it was less essential for the monthly index numbers, which were only published at SIC Order level, than for the quarterly Business Monitors, which are published at MLH level. This defect has now been remedied and several hundred firms have been reclassified to their correct industry for the monthly inquiry going back to 1970. An additional effort has been made to ensure comparability between the monthly and quarterly inquiries through the use of a common register, which will ensure that the two inquiries will in future be identical in terms of the coverage of firms. An examination of register differences in the past revealed a large number of firms with employment levels above the monthly cut-off point that had not contributed to the monthly inquiries. Estimates of their contribution were made on the basis of their returns to the quarterly inquiries.

The final problem in attempting to reconcile the monthly and quarterly results arises from different values being assigned to the same firm in the two inquiries. Where this difference is the result of an imputed value having to be assigned in the monthly inquiry, for instance because of an isolated missing return, the quarterly figures were used to improve the estimate. Where the actual quarterly return differs from the sum of the three corresponding actual monthly returns, firms are approached directly about the reason for this and amendments are made as necessary.

OTHER DATA AND PROCESSING PROBLEMS

The change in the method of reclassification to one appropriate to industry-based indices will make a noticeable impact on the series at industry level and to a much lesser extent at Order level. Prior to 1976, the reclassification of a firm from one industry to another was ignored in the calculation of index numbers, on the assumption that the firm still produced some products of the industry from which it had been transferred. The adoption of an industry-based approach from 1976 has the effect that on the reclassification of an establishment, there is a reduction in the index of sales for one industry and an increase by a compensating amount in the index of sales for the industry to which a firm is reclassified. The results of the monthly engineering inquiries prior to 1976 have been reworked to put them on to this new basis.

In the calculation of index numbers it is essential that the data series are consistent back to the base year. Ideally the individual establishment returns should be aggregated each month for every period back to the base year, but this is computationally impractical. In fact a span of up to '11 months' data is computed each month and moved forward in time every 3 months. The totals for any particular period will change slightly each time the span is moved forward due to incomplete reporting. It is thus necessary to link the earlier months in each span to the corresponding months in the previous span. The method of producing these links for the earlier years has now been made consistent with the approach used since 1974. Prior to that time, satisfactory links had only been established at the Order level, but recent analysis of the data has now enabled these links to be determined for the individual industries.

The deflator for the electrical machinery industry (MLH 361) had been based on the available wholesale prices which covered two-thirds of the products in the industry, the assumption being that the remaining products had similar price movements. Recently this assumption had become unwarranted. A new index was constructed using as proxies for prices of the remaining products indices for other goods which were known to have similar price movements. The new index diverged only slightly from the old until 1975–76 when it was 5–6 per cent below it. No suitable price data is obtained for radio and electronic components (MLH 364), and a combined price index for the whole of electrical engineering had been used. It was decided that a better indication could be obtained by considering industries in the electronic sector only. A deflator was constructed by weighting together the wholesale price indices of these industries, using as weights their respective importance as purchasers of radio and electronic components. As the prices of electronic goods have risen comparatively slowly the new deflator is below the old one. The divergence was 4 per cent in 1973, jumped to 11 per cent in 1974 and rose to 13 per cent in 1976.

Effects of data and processing changes

The changes described in the previous two sections above have quite a noticeable effect on the series for the combined engineering industries and for each of the three SIC Orders. This is due mainly to the changes in the method of linking and (in the case of electrical engineering) to the new price indices, as the other changes tend to cancel out at this level of aggregation. At industry level, however, there is in addition the impact of the reclassifications, and the revisions are in some cases quite substantial. The overall effect for mechanical engineering (third column of the table) is to reduce the index by 1–2½ per cent in 1971, and by 3 per cent in early 1972; from then onwards the effect on the path oscillates until 1975. In the case of instrument engineering the data changes have resulted in an upward revision of 2–4 per cent in 1971, 8–10 per cent in 1972 and 1973 and 10–13 per cent in 1974–76. For electrical engineering there is a slight increase in 1971 but thereafter a reduction, 2½ per cent in 1972 and 1973, 1 per cent in 1974 and 2 per cent in 1975 and 1976.

Working day correction

As the aim of the index of industrial production is to compare each month with the average month in 1970, the reported figures are adjusted to allow for the fact that they will be affected by the number of working days in each month. The correction factor applied to most monthly components of the index is the ratio of the average number of working days per month in 1970 to the number of working days in the current month. It had previously been thought that owing to uncertainties in the number of working days reported by companies, the effect on engineering sales of the varying number of working days was not so great as to require application of the whole of the above factor and

a smaller adjustment was made. On reconsideration it has been decided that this assumption is less preferable and the whole of the factor is now applied.

The effect of this change on monthly sales is given by the ratio of the new correction factor to the old. Since the largest increase is just over 4 per cent and the largest decrease just under 3 per cent, the effect on the monthly path before seasonal adjustment can be quite noticeable, but changes to the seasonal factors resulting from the revised data may to some extent offset these effects. The revisions tend to cancel out within each quarter, and almost entirely balance each other over a year, as can be seen in the fourth column of the tables. As the same factors are applied to every industry, the resulting changes are very similar for each Order. Both 1970 and 1971 are unchanged and 1972 to 1975 are slightly increased, the maximum increase of 0·2 per cent occurring in 1972. There is a decrease of 0·2 per cent in 1976.

OVERALL EFFECT ON THE INDEX OF INDUSTRIAL PRODUCTION

The combined effect on the series of the three types of changes (revised deflators, data changes and the working day correction factors) is shown in the fifth column of Tables 1 to 4 and the revised index in the final column. The accompanying chart also provides a visual indication of the changes. The annual averages for combined engineering at Table 1 show a cyclical pattern to the changes in Column 5, negative in years 1971–3, becoming markedly positive in 1974–5 and then slightly positive in 1976. This is broadly the pattern of the changes due to the revised deflators in all three sectors and reflects the lagged effect of the changing rate of price inflation for engineering products. As was to be expected the quarterly changes show the same general pattern but with a greater variability from quarter to quarter. This is of course a common feature throughout Tables 1 to 4. Data changes, however, for the three engineering sectors at Tables 2 to 4 tend partly to cancel out in Table 1. The working day correction factors have little effect on the annual changes and generally less than 1 per cent on the quarterly index numbers.

The overall effect of the changes for mechanical engineering at Table 2 has been to revise the index downwards by over 2 per cent in 1971 and progressively less so in the next two years, before raising the index by nearly 4 per cent in 1974 and by about 3 per cent in 1975, diminishing again to a reduction of nearly 1 per cent in 1976. On the whole, the data changes tend to offset the effects of the new price deflators. The effects of the revisions on instrument engineering, a smaller and more variable sector than the others, are positive throughout and large from 1972 onwards, due mainly to the data changes. The increase is generally about 8–10 per cent in 1972–3, rising to $12\frac{1}{2}$ per cent in 1974 and $17\frac{1}{2}$ per cent in 1975; the maximum increase of 20 per cent is reached in the first quarter of 1975 when the effect of the data changes is reinforced by the new deflators and working day correction factors. In 1976 the increase falls away to about $12\frac{1}{2}$ per cent. For electrical engineering the revised index is about 3 per cent lower in 1972 and 1973 due to the data changes. Then the effect of the revised deflators works in the opposite direction to produce a net increase of over $1\frac{1}{2}$ per cent in 1974, little change in 1975 and a slightly lower index in 1976.

The effect of the revisions on the index of industrial production can be assessed from the magnitudes of the changes in Table 1 and noting that the engineering industries have a net weight of 18·2 per cent of all industrial production. The largest decreases, which occur between mid-1971 and mid-1973, are of the order of 2 to 3 per cent, hence the index of industrial production will undergo a downward revision over this period of 0·35 to 0·55 per cent. The highest increases, however, occur in the period from the second quarter of 1974 to mid-1975, mainly in the range $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent. Hence over this period, industrial production will tend to be raised by some 0·6 to 0·8 per cent. In short the effect of the revisions to the engineering series on the index of industrial production is to reduce slightly the peak in 1973 and to moderate the subsequent decline by increasing a little the level of the trough in 1975. then to reduce very slightly the recovery in 1976. The effect of these changes on the output measure of GDP is just under half of the percentage changes on industrial production; at the maximum this would be a slight downward shift in 1973 of less than 0·2 per cent and a slight rise of $\frac{1}{2}$ per cent in 1975. The effects on the compromise measure of GDP would be about 0·1 per cent.

PUBLICATION OF REVISED AND NEW SERIES

The above changes for the three broad engineering sectors will be incorporated into the index of industrial production when the index for April is published in June. The effects on the seasonally adjusted series may be slightly different from those indicated in this article, which all relate to the unadjusted series. This is because different sets of seasonal factors will emerge when the revised series are subjected to the seasonal adjustment process. As regards the more important of the new industry index numbers, consideration is being given for these to be published regularly in the *Monthly Digest of Statistics*, and *Trade and Industry*, although some of these series remain rather variable, despite data and processing improvements. For several of these index numbers the fact that they are industry-based rather than product-based needs to be noted, as the resulting trends could differ from those produced on a product-based definition. Further work continues on the engineering series and it is hoped to introduce similarly revised and more detailed industry series for engineering sales, orders-on-hand and new orders (for home and export markets) in a special publication as soon as the development work is complete.

Department of Industry

Index of production for combined engineering (Orders VII, VIII & IX)

TABLE 1

	1970 = 100 not seasonally adjusted							1970 = 100 not seasonally adjusted					
		Percentage change due to revised:						Percentage change due to revised:					
	Existing index	Deflators	Data changes	Working day factors	Total per-centage change	Revised index		Existing index	Deflators	Data changes	Working day factors	Total per-centage change	Revised index
1970	100·0	—	—	—	—	100·0	1973 *1*	115·0	−1·3	−0·9	+0·3	−1·9	112·8
1971	100·8	−0·4	−0·6	—	−1·0	99·8	*2*	108·4	−1·0	—	+0·2	−0·8	107·5
1972	100·4	−1·0	−0·2	+0·2	−1·0	99·4	*3*	103·8	−0·4	−0·1	−0·5	—	103·8
1973	111·3	−0·7	−0·4	+0·1	−1·0	110·2	*4*	117·9	—	−0·4	−0·6	−1·0	116·7
1974	109·8	+2·8	+0·7	+0·1	+3·6	113·8							
1975	106·0	+3·5	−0·5	+0·1	+3·1	109·3	1974 *1*	111·1	+1·5	+0·4	+1·2	+3·1	114·5
1976[1]	103·1	+1·1	−0·5	−0·2	+0·4	103·5	*2*	107·9	+2·9	+0·9	+0·4	+4·2	112·4
							3	104·2	+3·5	+0·9	−0·5	+3·9	108·3
1970 *1*	100·9	−0·2	−0·4	+1·0	+0·4	101·3	*4*	116·1	+3·4	+0·4	−0·5	+3·3	119·9
2	98·8	+0·4	—	+0·2	+0·5	99·3							
3	94·7	—	+0·2	−0·5	−0·4	94·4	1975 *1*	112·9	+4·2	−0·6	+1·1	+4·7	118·2
4	105·5	−0·2	+0·1	−0·6	−0·7	104·9	*2*	106·0	+3·9	−0·1	+0·2	+4·0	110·3
							3	97·9	+3·3	−0·6	−0·7	+2·0	99·8
1971 *1*	102·8	—	−0·1	+0·9	+0·8	103·6	*4*	107·3	+2·4	−0·5	−0·5	+1·4	108·8
2	100·5	—	−0·4	+0·2	−0·1	100·4							
3	94·6	−0·4	−1·5	−0·6	−2·4	92·3	1976 *1*[1]	106·1	+1·9	−0·9	+0·1	+1·1	107·3
4	105·5	−1·0	−0·8	−0·6	−2·4	103·0	*2*[1]	102·0	+1·1	−0·8	+0·2	+0·5	102·5
							3[1]	96·6	+1·0	−0·4	−0·6	—	96·6
1972 *1*	101·6	−1·1	−1·8	+0·1	−2·8	98·7	*4*[1]	107·7	+0·5	+0·1	−0·6	—	107·7
2	98·8	−1·0	+0·2	+0·2	−0·6	98·2							
3	93·1	−0·8	−0·5	+0·3	−1·0	92·2							
4	108·2	−0·9	+0·8	+0·2	+0·1	108·3							

[1]Provisional.

Index of production for mechanical engineering (Order VII)

TABLE 2

	1970 = 100 not seasonally adjusted							1970 = 100 not seasonally adjusted					
		Percentage change due to revised:						Percentage change due to revised:					
	Existing index	Deflators	Data changes	Working day factors	Total per-centage change	Revised index		Existing index	Deflators	Data changes	Working day factors	Total per-centage change	Revised index
1970	100	—	—	—	—	100	1973 *1*	106·7	−1·7	−0·1	+0·3	−1·5	105·2
1971	100·2	−0·4	−1·9	—	−2·2	98·0	*2*	100·1	−1·2	+1·1	+0·2	+0·1	100·2
1972	95·0	−1·3	+0·2	+0·2	−0·9	94·1	*3*	97·9	−0·7	+0·4	+0·5	+0·2	98·1
1973	103·4	−1·0	+0·3	+0·1	−0·6	102·8	*4*	109·0	−0·3	−0·3	−0·5	−1·1	107·8
1974	103·4	+3·1	+0·5	+0·2	+3·8	107·3							
1975	102·0	+4·0	−1·0	+0·1	+3·0	105·2	1974 *1*	103·3	+1·3	+0·2	+1·2	+2·8	106·2
1976[1]	97·7	+0·8	−1·4	−0·2	−0·8	97·0	*2*	102·6	+3·3	+0·7	+0·4	+4·4	107·1
							3	98·0	+4·0	+0·9	−0·5	+4·4	102·3
1970 *1*	98·6	−0·2	−0·4	+1·0	+0·4	99·0	*4*	109·6	+4·0	—	−0·5	+3·5	113·4
2	100·1	+0·4	−0·2	+0·2	+0·3	100·5							
3	95·6	+0·1	+0·4	−0·4	—	95·6	1975 *1*	106·7	+5·2	−1·3	+1·1	+5·1	112·1
4	105·5	−0·3	+0·2	−0·6	−0·7	104·8	*2*	103·6	+4·5	−0·6	+0·2	+4·0	107·8
							3	93·9	+3·7	−0·7	−0·7	+2·3	96·0
1971 *1*	102·7	−0·1	−1·3	+0·9	−0·4	102·3	*4*	104·2	+2·4	−1·2	−0·5	+0·7	104·9
2	102·5	+0·2	−1·7	+0·2	−1·3	101·1							
3	93·8	−0·3	−2·0	−0·6	−2·9	91·1	1976 *1*[1]	102·4	+1·9	−1·6	+0·1	+0·4	102·8
4	102·0	−1·2	−2·6	−0·6	−4·4	97·5	*2*[1]	98·6	+0·6	−1·7	+0·2	−0·9	97·7
							3[1]	90·8	+0·8	−1·0	−0·6	−0·8	90·1
1972 *1*	97·9	−1·5	−2·8	+0·1	−4·3	93·7	*4*[1]	99·1	−0·1	−1·2	−0·6	−1·9	97·2
2	95·0	−1·3	+0·7	+0·2	−0·5	94·4							
3	87·4	−1·1	+0·6	+0·3	−0·2	87·2							
4	99·7	−1·0	+2·3	+0·2	+1·4	101·0							

[1]Provisional.

Index of production for instrument engineering (Order VIII)

TABLE 3

	1970 = 100 not seasonally adjusted						1970 = 100 not seasonally adjusted					
		Percentage change due to revised:						Percentage change due to revised:				
	Existing index	Deflators	Data changes	Working day factors	Total percentage change	Revised index	Existing index	Deflators	Data changes	Working day factors	Total percentage change	Revised index
1970	100·0	—	—	—	—	100·0	1973 *1*	108·2	−0·7	+ 8·2	+0·3	+ 7·8	116·6
1971	100·8	—	+ 2·4	—	+ 2·4	103·3	*2*	97·2	−0·6	+ 8·2	+0·2	+ 7·8	104·8
1972	93·0	−0·2	+ 9·7	+0·2	+ 9·7	102·0	*3*	95·7	−0·3	+ 8·8	+0·3	+ 8·8	104·1
1973	101·8	−0·4	+ 8·7	—	+ 8·3	110·3	*4*	105·9	+0·0	+ 9·7	−0·6	+ 9·0	115·4
1974	104·9	+1·8	+10·4	+0·1	+12·5	118·0							
1975	101·1	+4·2	+12·6	+0·1	+17·4	118·6	1974 *1*	107·5	+0·5	+10·1	+1·2	+12·0	120·3
1976[1]	102·1	+1·1	+11·4	−0·2	+12·4	114·8	*2*	102·4	+1·3	+11·3	+0·3	+13·1	115·7
							3	99·9	+2·7	+10·3	−0·5	+12·7	112·7
1970 *1*	103·9	−0·4	+ 0·2	+0·9	+ 0·8	104·7	*4*	110·0	+2·8	+ 9·5	−0·6	+11·9	123·1
2	97·0	+0·1	− 1·0	+0·1	− 0·8	96·3							
3	94·0	+0·1	+ 0·4	−0·6	− 0·1	93·8	1975 *1*	110·3	+4·3	+13·9	+1·1	+20·1	132·4
4	105·0	+0·1	+ 0·4	−0·6	+ 0·0	105·0	*2*	102·5	+4·9	+11·7	+0·2	+17·4	120·3
							3	93·6	+3·9	+13·0	−0·6	+16·7	109·2
1971 *1*	109·9	+0·2	+ 0·7	+0·7	+ 1·6	111·7	*4*	98·1	+3·5	+11·3	−0·4	+14·7	112·5
2	97·6	+0·3	+ 2·7	+0·2	+ 3·2	100·7							
3	93·6	+0·1	+ 2·2	−0·6	+ 1·7	95·2	1976 *1*[1]	104·8	+2·3	+10·9	+0·1	+13·6	119·1
4	102·2	−0·4	+ 4·2	−0·5	+ 3·2	105·4	*2*[1]	100·3	+1·1	+11·9	+0·2	+13·4	113·8
							3[1]	95·3	+1·0	+11·1	−0·6	+11·5	106·2
1972 *1*	97·8	−0·5	+ 9·1	+0·1	+ 8·7	106·3	*4*[1]	108·0	+0·2	+11·6	−0·6	+11·2	120·2
2	88·0	−0·1	+12·7	+0·2	+12·8	99·2							
3	89·8	−0·1	+ 9·5	+0·3	+ 9·7	98·5							
4	96·6	−0·1	+ 7·6	+0·2	+ 7·7	104·0							

[1]Provisional.

Index of production for electrical engineering (Order IX)

TABLE 4

	1970 = 100 not seasonally adjusted						1970 = 100 not seasonally adjusted					
		Percentage change due to revised:						Percentage change due to revised:				
	Existing index	Deflators	Data changes	Working day factors	Total percentage change	Revised index	Existing index	Deflators	Data changes	Working day factors	Total percentage change	Revised index
1970	100·0	—	—	—	—	100·0	1973 *1*	129·0	−1·0	−3·6	+0·3	−4·3	123·5
1971	101·7	−0·5	+0·5	—	—	101·8	*2*	123·4	−0·7	−2·8	+0·2	−3·4	119·2
1972	110·2	−0·7	−2·8	+0·2	−3·2	106·7	*3*	114·6	—	−2·4	+0·5	−2·0	112·3
1973	125·2	−0·3	−2·8	+0·1	−3·1	121·3	*4*	133·9	+0·4	−2·5	−0·6	−2·7	130·3
1974	120·6	+2·6	−1·0	+0·1	+1·6	122·6							
1975	113·1	+2·7	−2·5	+0·1	+0·2	113·3	1974 *1*	123·7	+1·9	−1·4	+1·2	+1·6	125·6
1976[1]	111·4	+1·6	−1·9	−0·2	−0·5	110·8	*2*	117·1	+2·7	−0·9	+0·3	+2·1	119·5
							3	114·5	+3·0	−0·9	−0·5	+1·6	116·3
1970 *1*	103·6	−0·1	−0·6	+1·0	+0·3	104·0	*4*	127·3	+2·8	−1·0	−0·5	+1·3	128·9
2	97·3	+0·4	+0·5	+0·2	+1·1	98·3							
3	93·5	−0·1	−0·3	−0·6	−1·0	92·6	1975 *1*	122·9	+2·8	−2·8	+1·0	+1·1	124·1
4	105·6	−0·2	+0·3	−0·5	−0·4	105·1	*2*	110·4	+2·9	−1·9	+0·2	+1·2	111·7
							3	105·0	+2·6	−3·4	−0·7	−1·5	103·4
1971 *1*	101·4	−0·1	+1·4	+0·9	+2·2	103·7	*4*	114·0	+2·2	−2·4	−0·4	−0·2	113·8
2	98·2	−0·2	+1·0	+0·2	+1·0	99·2							
3	96·0	−0·6	−1·5	−0·6	−2·6	93·5	1976 *1*[1]	111·9	+1·9	−2·4	+0·1	−0·4	111·5
4	111·4	−0·9	+0·9	−0·5	−0·6	110·7	*2*[1]	107·6	+1·7	−2·4	+0·2	−0·5	107·1
							3[1]	105·5	+1·5	−2·3	−0·6	−1·4	104·1
1972 *1*	108·1	−0·7	−2·7	+0·1	−3·2	104·6	*4*[1]	120·5	+1·4	−0·7	−0·6	+0·1	120·6
2	106·9	−0·7	−2·6	+0·2	−3·1	103·6							
3	102·3	−0·7	−3·5	+0·3	−3·7	98·4							
4	123·6	−0·8	−2·3	+0·2	−2·9	120·0							

[1]Provisional.

Indices of production for engineering industries

TABLE 5

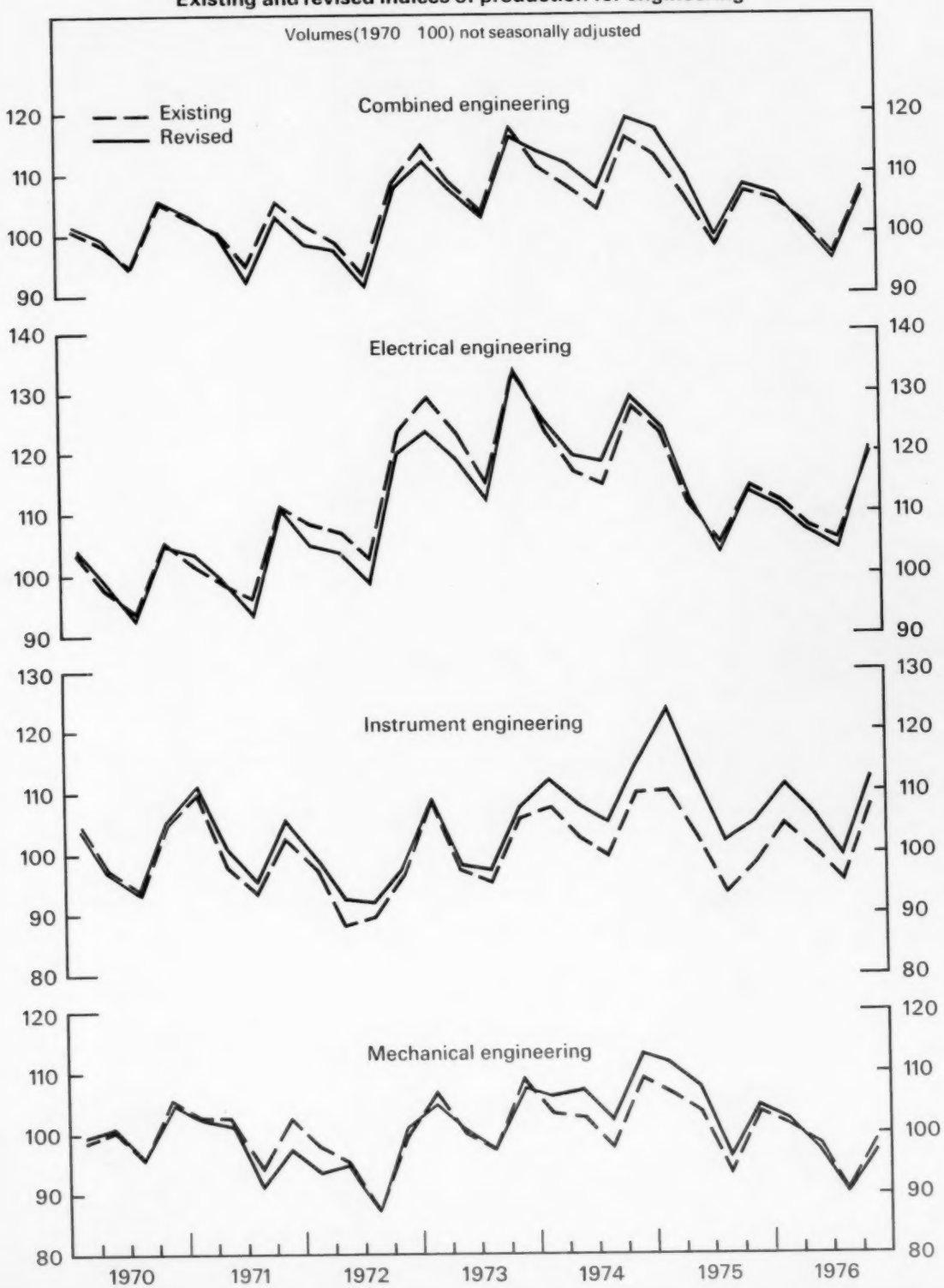
1970 = 100

MLH		Weight percentage	1971	1972	1973	1974	1975	1976[1]
3310	Agriculture machines	1·05	95·5	104·0	121·3	132·2	113·5	107·5
3320	Machine tools	4·01	84·2	67·4	75·4	77·7	73·6	61·2
3330	Pumps, valves, compressors	4·36	98·6	102·6	109·2	112·6	111·2	108·0
3340	Industrial engines	1·61	98·7	91·6	100·3	108·6	125·9	124·0
3350	Textile machines	2·25	96·1	90·6	98·2	111·3	111·8	75·1
3360	Construction equipment	2·82	88·6	101·4	123·0	120·2	127·8	123·8
3370	Mechanical handling	3·47	96·4	89·6	96·7	106·7	116·2	102·6
3380	Office machines	2·03	97·3	101·0	126·5	121·0	117·7	116·6
3391	Mining machines	1·04	105·8	96·6	106·9	136·0	171·0	162·1
3392	Printing and paper machines	1·02	102·5	82·9	90·7	111·6	100·0	90·8
3393/4	Refrigerating machines	2·32	98·3	101·7	111·7	104·7	99·4	94·8
3395/6	Weighing and power tools	1·08	106·6	88·2	108·2	110·3	102·8	98·7
3397/8	Packaging and bottling machines	1·53	85·6	99·0	102·3	119·5	128·3	119·5
3399	Other non-electrical machinery	4·99	101·3	94·8	100·2	95·2	84·7	78·8
3410	Industrial Plant	11·03	101·6	95·2	96·0	99·8	98·2	89·8
3491	Ball bearings	3·17	101·8	98·5	107·8	115·2	109·9	107·7
	Other mechanical	7·40	100·8	96·1	109·4	115·5	105·0	96·7
	Mechanical	55·16	98·0	94·1	102·8	107·3	105·2	97·0
3510	Photographic and copying	0·80	94·6	79·9	106·2	101·5	96·1	95·0
3520	Watches and clocks	0·53	101·7	115·9	132·1	141·8	144·7	127·1
3530	Surgical instruments	1·18	111·6	124·0	133·9	145·6	137·3	126·7
3540	Scientific instruments	5·69	102·9	99·3	103·9	112·4	115·5	114·0
	Instrument	8·19	103·3	102·0	110·3	118·0	118·6	114·8
3610	Electrical machinery	7·25	99·2	83·2	90·2	93·0	97·9	94·7
3620	Wires and cables	2·91	93·8	99·0	109·7	110·0	93·5	96·2
3630	Telecommunications	3·28	113·5	109·2	119·5	117·5	114·4	99·9
3640	Electronic components	5·48	99·5	115·2	139·0	145·7	111·4	113·2
3651	Records and tapes	0·42	105·3	118·1	162·7	194·3	197·4	192·7
3652	Broadcasting equipment	2·75	125·7	176·2	218·9	199·0	168·6	160·0
3660	Computers	1·43	96·9	92·3	119·0	135·0	158·8	166·5
3670	Electronic capital goods	4·30	93·0	88·9	89·2	93·4	97·1	101·0
3680	Domestic appliances	2·99	103·6	114·7	140·2	143·4	134·4	124·9
3691	Electric parts for vehicles	1·90	102·1	122·2	124·3	120·6	95·9	98·0
3692/3	Batteries	1·46	103·3	103·0	116·1	119·0	117·3	113·1
3694/5	Lamps and other electrical	2·50	95·4	102·7	109·5	104·9	95·6	92·9
	Electrical	36·65	101·8	106·7	121·3	122·6	113·3	110·8
	Combined engineering	100·00	99·8	99·4	110·2	113·8	109·3	103·5

[1] Provisional.

Arrangements are in hand for the more important of these series to be published.
The quarterly index numbers for all 33 industries are available on request from Branch 5, Central Statistical Office, Great George Street, London SW1P 3AQ. Tel. 01–233 8310. More detailed information can be obtained from Branch EcS3A, Department of Industry, Dean Bradley House, 52 Horseferry Road, London SW1P 2AG. Tel. 01–212 6044.

Existing and revised indices of production for engineering



Department of Industry survey of company liquidity: comparison with the financial accounts

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Since the beginning of 1970 there have been nearly two cycles of activity in the economy. These cycles have had their impact on the finances of industrial and commercial companies (I and C companies), in particular on their liquidity, with a squeeze in 1970 and 1971, followed by a recovery in 1973, a further squeeze in 1974, followed by a recovery in 1975 and 1976. The relevant data on company liquidity are the figures for all I and C companies in the national accounts and, since 1970, the Department of Industry's survey of company liquidity, which provides quarterly figures of certain short-term financial assets and liabilities for about 200 of the larger I and C companies. The series display a number of similarities over the longer term since 1970 but there are also marked differences in short-term movements. The purpose of this article is to look at the results shown by the two sets of data.

Economic Trends No 253, (HMSO) November 1974, contained a description of the survey of company liquidity, the results of which are published regularly in *Trade and Industry* and *Financial Statistics* (Table 9.5). The *Economic Trends* article included a comparison of the survey figures with those for a similar range of financial assets and liabilities relating to all I and C companies that are published regularly in *Financial Statistics* (Table 9.3). This comparison covered the period from the start of the survey to the middle of 1974. This article brings the comparison up-to-date and comments on the most recent behaviour of the two sets of figures. As stated in the earlier article, the two sets of figures are compiled by entirely different methods and this must be borne in mind when comparing them.

The comparison is made only for 'selected' financial assets and liabilities, or groups of them, for which figures are available both for the survey companies and for all I and C companies. Two changes have been made from the treatment in the earlier article in order to make the most precise comparison possible of the data sources. The first is that in the earlier article the liquidity ratios (compared in Chart 8A in that article) and the net current assets (compared in Chart 8B) were based on all the assets and liabilities from each source. In this article these measures are compared on the basis of only the 'selected' assets and liabilities. The second change is that holdings of dollar certificates of deposit (figures for which are available for the survey companies throughout the period but for all I and C companies only since the first quarter of 1973) are now excluded from both sides of the comparison until the end of 1972 and are included on both sides from the first quarter of 1973.[2]

An innovation since the earlier article was published, which also affects the comparison, is that from the beginning of 1975 a footnote was added to the survey inquiry form to clarify the definition of the bank advances and loans that the survey companies are asked to report, restricting these to advances and loans with an initial maturity of not more than 12 months. It is not clear how much effect this has had but it probably helps to explain the recent fall in coverage of the survey figures of bank advances to all I and C companies, which is commented on below.

Table 1 shows, in terms of index numbers, the holdings of all current assets and liabilities reported by the survey companies since the beginning of 1973, and Table 2 shows, also in index form, the holdings by all I and C companies of the slightly fewer current assets and liabilities for which their figures are available. (These tables provide continuations of Tables 3 and 7 of the earlier article.) Table 3 shows index numbers for the totals of the selected items and for net selected current assets, in both series, together with the liquidity ratios on the selected basis, since the beginning of 1970. Also included in Table 3 are the index numbers for deposits with banks and finance houses combined, which is the major component on the assets side for both groups of companies. The figures in Table 3 are illustrated in Charts 1 to 5. Tables 1 to 3 and the charts have been adjusted, as in the earlier article, to allow for changes in coverage so as to make them consistent, as far as possible, over the whole period.

Table 4, which may be compared with Table 8 in the earlier *Economic Trends* article, provides a basis for assessing the relative importance of the various types of current asset and liability for the two groups of companies. It can be seen that, for both total selected current assets and total selected current liabilities, the value of the survey companies' holdings has accounted for round about one-fifth of the holdings of all I and C companies since the beginning of 1973. The coverage of total holdings on the assets side varied between about 18 per cent and about 22 per cent in this period. Coverage of liabilities was between about 18 per cent and 19 per cent in 1973 but rose to 24 per cent by the end of 1974. The survey companies were then asked to exclude bank borrowing with an initial term of over 12 months and there is a break in the series at this point. On the revised basis, the coverage of liabilities was about 22 per cent at the end of the first quarter of 1975. It subsequently fell to 18 per cent at the end of 1975 and to 17 per cent at the end of 1976 and this may have reflected conversion of bank overdrafts into term loans, which were no longer included in the survey, that is known

[1] The author would like to acknowledge the considerable assistance received in the preparation of this article from colleagues throughout the Department of Industry, Trade and Prices and Consumer Protection.

[2] In the previous article, though the description in Appendix I and in the footnote to Table 8 states that dollar certificates of deposit were included in selected current assets and in the analysis of coverage in Table 8 throughout the period of comparison for survey companies, they were in fact excluded from the figures and charts for selected current assets and from the analysis of coverage. For all I and C companies, the figures were included from the second quarter of 1973, though the amounts involved were considered negligible.

to have been taking place during the last two years. Within selected current assets, the coverage of bank deposits was between about 17 and 19 per cent in 1975 and 1976, and generally rather less in 1973 and 1974, indicating that such deposits were rather more important for the companies not covered by the survey. However, within this the coverage of deposits with deposit banks, at about 10 per cent to 12 per cent, was substantially less; this continued throughout 1973 and 1974 but the comparison is lost after the first quarter of 1975 following the introduction of the new system of bank statistics. The coverage of local authority temporary debt and deposits with finance houses, on the other hand, was relatively high, indicating their greater importance for the survey companies. The coverage of negotiable certificates of deposit (including dollar certificates) was also higher – but sometimes only slightly higher – than that of total selected current assets during these years. Coverage of deposits with building societies was very low.

These results are, not surprisingly, similar to those shown in the earlier article. It appears that the large companies in the survey tend to have more substantial holdings of the assets that are dealt in on the money markets, namely local authority temporary money, deposits with finance houses and negotiable certificates of deposit, while the other, predominantly smaller, companies tend to keep relatively more liquid funds in the more straightforward types of investment such as deposits with banks, particularly deposit banks, and building societies. Within liabilities, separate figures for loans from deposit banks and other banks are available only until the first quarter of 1975. It can be seen that, from mid-1973 to the beginning of 1975, in contrast to the position on deposits, loans from deposit banks were rather more important for the survey companies, and loans from other banks rather less important, than for I and C companies as a whole. The earlier article shows that before mid-1973 the position was the reverse.

Chart 1 and Table 3 show movements in the liquidity ratios derived from both sources; the limitation of both these to selected assets and liabilities has had little effect on the comparison. In the earlier article it was noted that the ratio for the survey companies fluctuated more widely than for all I and C companies between 1970 and mid-1974. This difference is even more apparent now that the comparison can be extended to end-1976. In 1970 and 1971 the ratio for the survey companies was markedly lower than for all I and C companies, but it rose sharply in 1972 and was generally slightly higher from the end of 1972 to the end of 1973. The ratio for the survey companies then fell relatively quickly and was again markedly lower than for all I and C companies by the end of 1974, before rising relatively quickly in 1975 and 1976. Both series reflect the period of increasing liquidity pressure during 1973 and 1974 and a recovery during 1975, the movements being more marked for the survey companies. But some of the relatively sharp recovery for the survey companies was probably due to conversion of bank overdrafts into term loans, which, as discussed earlier, were excluded from the survey figures from the beginning of 1975 but which continued to be included in the figures for all I and C companies. However, in the earlier periods movements in the survey companies' ratio were even more pronounced, while the ratio for all I and C companies fluctuated within relatively narrow limits.

Chart 2 illustrates the movements in net selected current assets for both series. The series for all I and C companies declined markedly over the period from the beginning of 1972 to mid-1975 and recovered from mid-1975 to early 1976 before generally falling again until the end of 1976. For the survey companies there was a rise in 1971 and 1972, a slight fall in 1973, steepening in 1974, and a general rise from the beginning of 1975 until the beginning of 1976, followed by fluctuations thereafter. The two series moved in different directions in 1972 and differed in the timing of the downturn. They also differed in the timing of the subsequent recovery. The fall during 1973 and 1974 is estimated to have been far more severe for all I and C companies than for the survey companies and this appears to contrast with the less severe fall in the liquidity ratio shown in Chart 1. However, the reduction in net selected current assets from the end of 1972 to the end of 1974, after adjustment to allow for changes in coverage, was from minus £1539 million to minus £7094 million in the case of all I and C companies and from minus £204 million to minus £2834 million in the case of the survey companies. The latter is a far greater proportionate reduction, which is reflected in the greater fall shown in the liquidity ratio for survey companies over this two-year period.

Charts 3 and 4 illustrate what has happened to the series for total selected current assets and total selected current liabilities, which go to make up the liquidity ratio and net selected current assets. Total selected current assets for both the survey companies and all I and C companies show a markedly upward trend over the whole period and the quarter to quarter movements are often in the same direction. However, the two series diverged appreciably from the latter part of 1971 to the end of 1973 when total selected assets increased more rapidly for the survey companies than for all I and C companies. In 1974 the selected assets of the survey companies fell slightly while those of all I and C companies appear to have changed little; both increased in 1975 and 1976. For total selected current liabilities, the correspondence between the two series is not as close, a substantial gap appearing from early 1972, when total selected current liabilities began to rise faster for all I and C companies than for the survey companies. From the beginning of 1974, total selected current liabilities of the survey companies rose the faster, and the gap narrowed slightly, until early 1975. There was then a sharp divergence in the series, associated in part with the difference in coverage of bank borrowing for the survey companies mentioned earlier.

Chart 5, which is a combination of Charts 11 and 12 in the earlier article, illustrates movements in the total of deposits with banks and finance houses. Deposits with banks is the most important asset for both groups of companies; deposits with finance houses is included so that the comparison is not affected by some misreporting between these two types of deposit in the survey figures for 1972 and 1973. Apart from the divergence in 1973, the series for the two groups of companies have shown strikingly similar trends over the whole period.

In summary, it is evident that while there are a number of similarities, particularly in the direction of the movements over periods longer than from one quarter to another, there are also marked differences in the changes in current assets and liabilities as reported by the survey companies and as

estimated for all I and C companies. There are also marked differences in the composition of their current assets and liabilities. The survey figures therefore do not necessarily provide a good indication of what is happening to I and C companies as a whole. Nevertheless, the companies taking part in the survey are an important group in their own right. Also, since the survey is based on returns from individual companies, it has the advantage of providing separate information for particular groups of companies such as that published for the manufacturing and non-manufacturing companies though, being based on so few companies, break-downs of this kind have to be used cautiously.

A development of the survey which is now taking place should be mentioned here. The survey results at present relate only to short-term assets and liabilities and it is not known how changes in these items are related to other changes in the financial position of the large companies included in the survey. The previous article in *Economic Trends* noted that there would be advantages in extending the liquidity survey to cover all the sources and uses of funds of the companies in the survey. All the companies have recently been approached for the information and most of them are able to supply it. It is hoped to publish the results once the series has been well established.

The value of the new information lies in the fact that it will give a comprehensive picture of the transactions of this important group of larger companies. It would show, for example, how changes in their liquidity position are related to changes in their trading position and to their other transactions, such as tax payments and expenditure on fixed assets and stocks. It may also give some indication about how to interpret movements in the 'unidentified items' which arise in the national accounts data for the industrial and commercial company sector as a whole, for which information is obtained from a variety of sources that are not consistent.

Survey companies and all industrial and commercial companies

CHART 1

Comparison of liquidity ratios based on selected current assets and liabilities

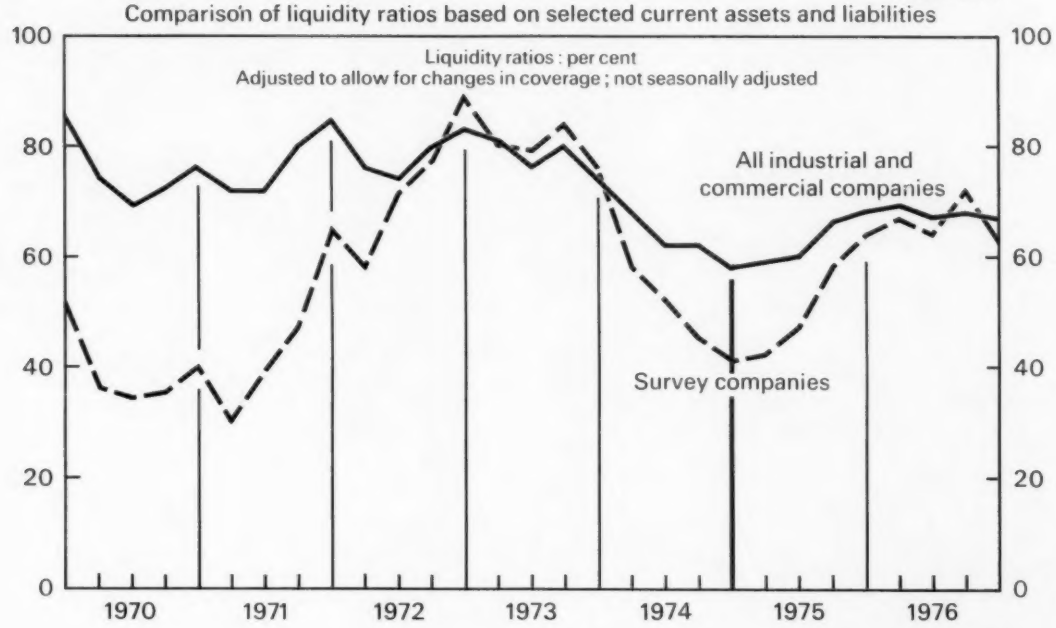
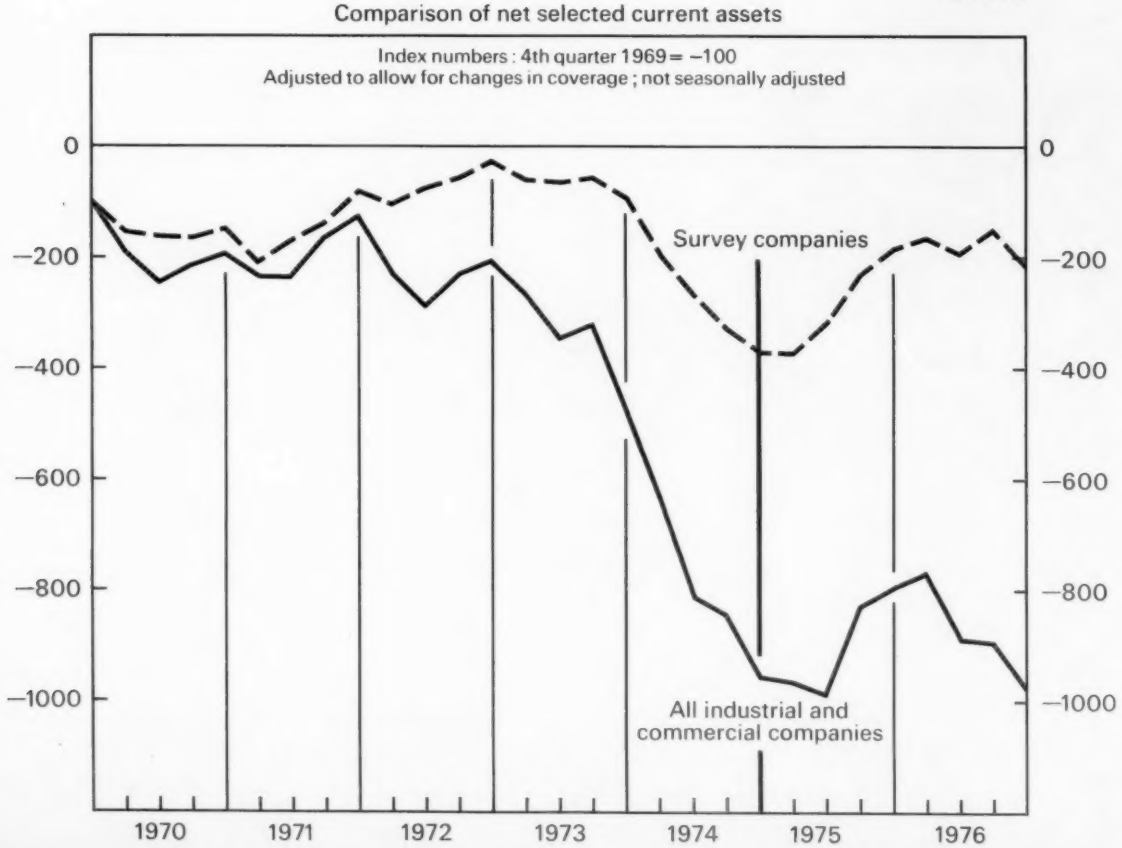


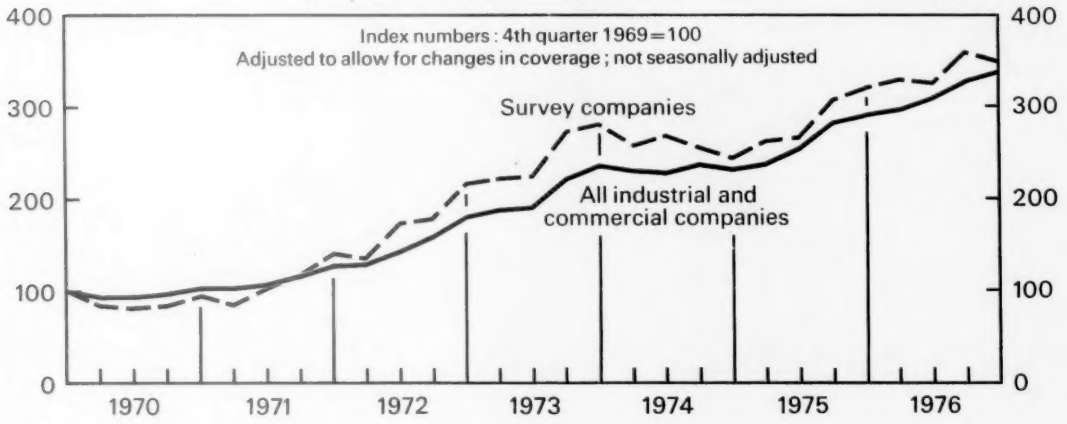
CHART 2

Comparison of net selected current assets

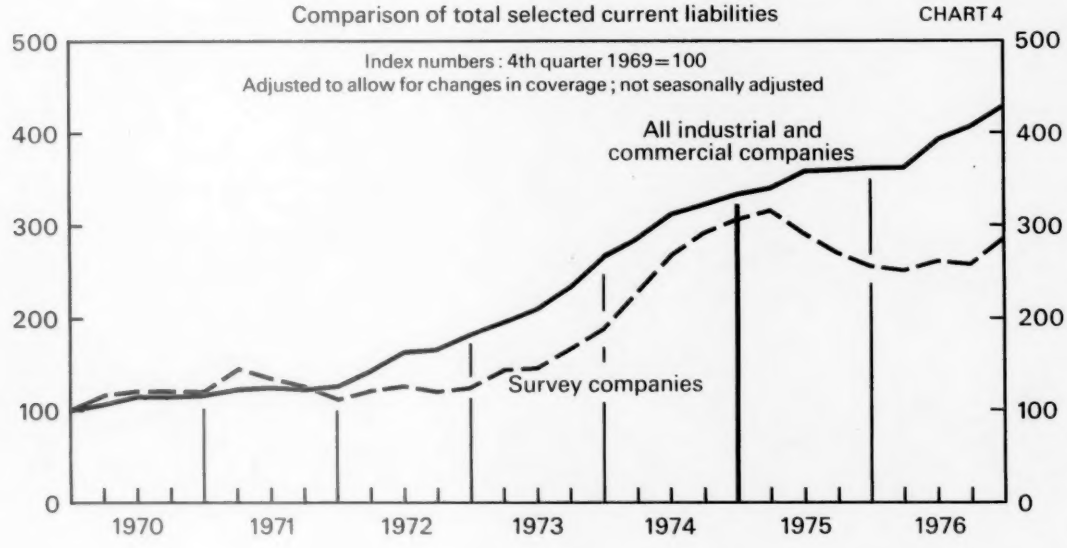


Survey companies and all industrial and commercial companies

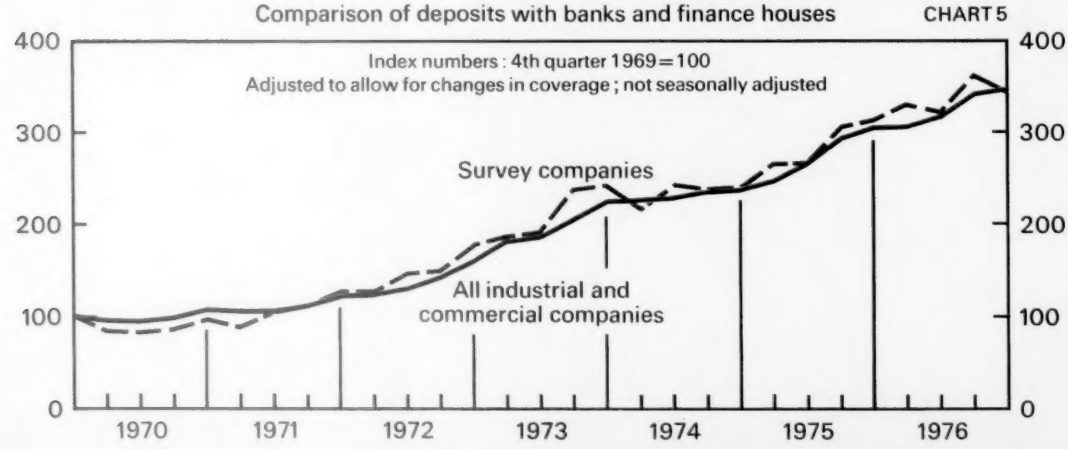
Comparison of total selected current assets — CHART 3



Comparison of total selected current liabilities — CHART 4



Comparison of deposits with banks and finance houses — CHART 5



APPENDIX I

Holdings of current assets and liabilities of survey companies[1]
Amounts outstanding at end of period

TABLE 1

	£ million	Index numbers, 31 December 1969 = 100[2] Not seasonally adjusted								
		1969	1973				1974			
	Holdings at 31 December, 1969	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Current assets										
Deposits with banks in the UK:										
Deposit banks/clearing banks[3]	132	100	227	226	268	351	324	311	407	406
Other banks	370	100	195	204	263	246	227	276	245	252
Deposit banks/clearing banks[3] and other banks combined	502	100	204	210	265	274	253	286	288	293
Deposits with finance houses	158	100	116	116	137	119	81	78	58	46
Loans and deposits with 'other banks' and finance houses combined	528	100	174	180	228	212	187	223	194	196
Deposits with building societies	2	100	114	391	214	232	291	377	350	209
Negotiable certificates of deposit (sterling and dollar)	31	100	1,215	1,047	1,180	1,080	1,050	777	566	465
British government securities	113	100	88	98	109	125	125	108	89	85
Local authority bills and temporary money	90	100	204	221	257	326	325	304	262	192
Local authority mortgages and loans	55	100	85	101	96	79	73	110	107	108
Other current assets[4]	46	100	53	50	47	47	42	47	69	62
Total current assets	997	100	196	199	239	247	228	238	225	215
Total selected current assets[5]	808	100	220	222	270	278	256	267	253	242
Current liabilities										
Advances and loans from banks and other financial institutions in the UK:										
Deposit banks/clearing banks[3,6]	1,053	100	116	116	150	163	201	221	239	245
Other banks[6]	520	100	196	203	200	237	279	357	394	428
Other financial institutions[7]	91	100	226	260	241	196	182	234	262	271
Total current liabilities	1,664	100	146	149	170	189	227	268	292	307
Total selected current liabilities[5]	1,573	100	142	144	166	187	226	265	290	305
Net total current assets	−667	−100	− 72	− 74	− 66	−103	−226	−312	−393	−445

[1] Companies in the Department of Industry's survey of company liquidity. The table extends the information given in Table 3 of the article about the survey that was published in *Economic Trends* No. 253, November 1974 (HMSO) and reflects revisions in the basic figures since the previous article.

[2] The indices have been adjusted, to allow for changes in coverage, to make them comparable over the period. The index for net total current assets has been formed from the difference between the assets and liabilities series after each has been adjusted. In the previous article it was formed from the difference between the unadjusted series, which was then adjusted independently.

[3] To the end of 1975, the figures relate to the former groupings of deposit banks and other banks; from the first quarter of 1976, five banks that were deposit banks have been re-grouped as other banks and the remainder renamed clearing banks.

1975				1976				
1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr	
								Current assets
								Deposits with banks in the UK:
409	479	466	507	555	546	650	674	Deposit banks/clearing banks[3]
295	266	341	333	344	332	364	323	Other banks
325	322	374	379	399	388	438	414	Deposit banks/clearing banks[3] and other banks combined
43	57	55	71	76	76	81	87	Deposits with finance houses
226	209	263	262	271	262	287	259	Loans and deposits with 'other banks' and finance houses combined
314	182	164	168	173	164	159	177	Deposits with building societies
415	458	319	412	388	405	460	550	Negotiable certificates of deposit (sterling and dollar)
88	159	153	180	221	261	264	306	British government securities
178	184	212	218	182	207	176	286	Local authority bills and temporary money
117	100	98	107	103	81	90	135	Local authority mortgages and loans
47	66	203	284	278	255	317	123	Other current assets[4]
230	240	272	287	299	298	328	326	Total current assets
260	263	304	318	327	322	358	347	Total selected current assets[5]
								Current liabilities
								Advances and loans from banks and other financial institutions in the UK:
248	216	187	181	172	202	186	224	Deposit banks/clearing banks[3,6]
452	444	440	404	411	381	405	404	Other banks[6]
230	235	295	292	290	276	284	253	Other financial institutions[7]
316	292	273	258	254	264	261	285	Total current liabilities
315	290	269	254	250	260	257	283	Total selected current liabilities[5]
−444	−370	−275	−214	−186	−213	−161	−224	**Net total current assets**

[4] Comprising holdings of notes and coin, Treasury bills, certificates of tax deposit, and tax deposit accounts.

[5] Selected current assets and liabilities are those included, for all industrial and commercial companies, in Table 2.

[6] Loans from banks with an initial term of more than twelve months were excluded from the survey from the first quarter of 1975. The adjustment mentioned in foot note [2] effectively continues to include such loans in the same proportion as at the fourth quarter of 1974.

[7] Including only advances and loans with an initial term of not more than twelve months.

Holdings of selected current assets and liabilities of all industrial and commercial companies[1] Amounts outstanding at the end of period

TABLE 2

	£ million	Index numbers, 31 December 1969 = 100[2] Not seasonally adjusted								
		1969	1973				1974			
	Holdings at 31 December 1969	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Current assets										
Treasury bills	55	100	69	62	65	71	65	65	269	140
Tax reserve certificates and tax deposit accounts[3]	156	100	33	35	33	31	12	11	13	13
Local authority temporary debt	285	100	139	166	171	169	182	179	182	170
Deposits with deposit banks	1,949	100	152	155	169	197	183	190	216	232
Deposits with other banks	1,371	100	207	215	264	278	301	298	288	269
Deposits with deposit banks and other banks combined	3,320	100	175	180	210	231	234	236	246	247
Deposits with finance houses	322	100	129	132	148	135	106	112	83	77
Deposits with 'other banks' and finance houses combined	1,693	100	191	197	242	253	272	269	258	241
Negotiable certificates of deposit[4]	114	100	1,083	909	1,156	1,044	805	668	579	445
Deposits with building societies	74	100	247	270	236	216	201	201	201	178
Total selected current assets	4,326	100	187	189	219	233	228	226	234	229
Current liabilities										
Advances and loans from:										
Deposit banks	3,662	100	157	165	182	205	225	240	245	249
Other banks	1,407	100	303	330	365	426	445	493	521	549
Total selected current liabilities	5,069	100	198	211	234	268	287	312	323	335

[1] Based on Table 9.3 in *Financial Statistics*, No. 180, April 1977 (HMSO). The table extends the information given in Table 7 of the article about the Department of Industry's survey of company liquidity that was published in *Economic Trends*, No. 253, November 1974 (HMSO) and reflects revisions in the basic figures since the previous article.

1975				1976				
1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr	
								Current assets
93	200	712	654	1,035	1,292	809	707	Treasury bills
5	3	3	4	9	6	5	6	Tax reserve certificates and tax deposit accounts[3]
149	146	152	161	155	149	145	203	Local authority temporary debt
227	..	..	..	..	..	..	..	Deposits with deposit banks
296	..	..	..	..	..	..	..	Deposits with other banks
256	275	304	315	317	327	356	360	Deposits with deposit banks and other banks combined
102	110	99	112	122	129	120	120	Deposits with finance houses
267	..	..	..	..	..	..	..	Deposits with 'other banks' and finance houses combined
444	427	375	327	264	369	436	628	Negotiable certificates of deposit[4]
166	184	182	182	205	215	207	170	Deposits with building societies
234	251	279	288	293	306	324	334	Total selected current assets
								Current liabilities
								Advances and loans from:
256	..	..	..	..	..	..	..	Deposit banks
553	..	..	..	..	..	..	..	Other banks
341	359	360	362	362	392	408	429	Total selected current liabilities

[2] The indices have been adjusted, to allow for changes in coverage, to make them comparable over the period.

[3] Including certificates of tax deposit from October 1975.

[4] Including identified holdings of dollar certificates of deposit.

Holdings of selected current assets and liabilities of survey companies[1] and all industrial and commercial companies[2]

Amounts outstanding at end of period

TABLE 3

Index numbers, 31 December 1969 = 100[3] Not seasonally adjusted

	Survey companies				
	Deposits with banks and finance houses	Total selected current assets[4]	Total selected current liabilities	Net selected current assets[4]	Liquidity ratio (*per cent*)[4,6]
Holdings at 31 December 1969 (£ million)	*660*	*808*	*1,573*	*−765*	
1969 *4*	100	100	100	−100	*51*
1970 *1*	83	83	117	−153	*36*
2	82	81	121	−162	*34*
3	85	82	121	−163	*35*
4	97	94	120	−147	*40*
1971 *1*	88	84	145	−209	*30*
2	103	102	135	−171	*39*
3	110	117	127	−139	*47*
4	126	141	111	− 80	*65*
1972 *1*	127	136	120	−102	*58*
2	147	173	126	− 76	*71*
3	149	178	119	− 57	*77*
4	176	215	123	− 27	*89*
1973 *1*	185	220	142	− 59	*80*
2	190	222	144	− 62	*79*
3	237	270	166	− 56	*84*
4	241	278	187	− 90	*76*
1974 *1*	216	256	226	−194	*58*
2	241	267	265	−264	*52*
3	238	253	290	−328	*45*
4	239	242	305	−371	*41*
1975 *1*[5]	264	260	315	−373	*42*
2	265	263	290	−319	*47*
3	305	304	269	−233	*58*
4	312	318	254	−186	*64*
1976 *1*	329	327	250	−167	*67*
2	321	322	260	−195	*64*
3	361	358	257	−151	*72*
4	343	347	283	−215	*63*

[1] Companies in the Department of Industry's survey of company liquidity.

[2] Based on Table 9.3 in *Financial Statistics*, No. 180, April 1977 (HMSO).

[3] The indices have been adjusted, to allow for changes in coverage, to make them comparable over the period.

[4] Including dollar negotiable certificates of deposit from the first quarter of 1973.

All industrial and commercial companies

Deposits with banks and finance houses	Total selected current assets[4]	Total selected current liabilities	Net selected current assets[4]	Liquidity ratio *(per cent)*[4,6]	
3,642	*4,326*	*5,069*	*—743*		*Holdings at 31 December 1969 (£ million)*
100	100	100	—100	*85*	1969 *4*
94	93	108	—190	*74*	1970 *1*
94	94	116	—246	*69*	*2*
98	97	114	—217	*72*	*3*
106	103	117	—194	*76*	*4*
104	103	123	—235	*72*	1971 *1*
104	106	125	—238	*72*	*2*
110	114	122	—166	*80*	*3*
121	127	127	—127	*85*	*4*
123	128	143	—231	*76*	1972 *1*
129	141	163	—293	*74*	*2*
141	157	168	—233	*80*	*3*
159	178	183	—207	*83*	*4*
170	187	198	—262	*81*	1973 *1*
175	189	211	—344	*76*	*2*
203	219	234	—320	*80*	*3*
223	233	268	—475	*74*	*4*
225	228	287	—631	*68*	1974 *1*
227	226	312	—810	*62*	*2*
235	234	323	—843	*62*	*3*
236	229	335	—955	*58*	*4*
245	234	341	—963	*59*	1975 *1*[5]
264	251	359	—988	*60*	*2*
291	279	360	—830	*66*	*3*
302	288	362	—797	*68*	*4*
304	293	362	—768	*69*	1976 *1*
313	306	392	—889	*67*	*2*
340	324	408	—897	*68*	*3*
345	334	429	—979	*67*	*4*

[5] Loans from banks with an initial term of more than twelve months were excluded from the survey from the first quarter of 1975. The adjustment mentioned in note [3] effectively continues to include such loans in the same proportion as at the fourth quarter of 1974.

[6] Total selected current assets as a percentage of total selected current liabilities, after adjustment to allow for changes in coverage, so as to be comparable over the period.

Percentage coverage of holdings of all industrial and commercial companies by holdings of survey companies[1,2]

Selected current assets and liabilities

TABLE 4

	Percentage: not seasonally adjusted							
	1973				1974			
	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Current assets								
Local authority temporary debt	46·2	42·0	47·2	60·3	56·2	53·6	45·3	35·7
Deposits with deposit banks	10·1	9·9	10·7	12·0	12·0	11·1	12·8	11·8
Deposits with other banks	23·3	23·6	24·7	21·9	18·6	22·8	21·0	23·1
Deposits with deposit banks and other banks combined	16·9	17·0	18·4	17·2	15·7	17·5	16·9	17·2
Deposits with finance houses	99·1	96·4	101·5	97·3	83·8	77·4	77·6	65·8
Deposits with 'other banks' and finance houses combined	27·0	27·1	28·1	24·9	20·4	24·5	22·3	24·1
Negotiable certificates of deposit[3]	24·9	25·5	22·6	23·0	29·0	25·8	21·7	23·2
Deposits with building societies	1·2	3·9	2·4	2·9	3·8	5·0	4·6	3·1
Total selected current assets	20·7	20·6	21·6	20·9	19·6	20·6	18·9	18·5
Current liabilities								
Advances and loans from:								
Deposit banks[4]	19·1	18·2	21·4	20·6	22·9	23·5	25·0	25·1
Other banks[4]	19·4	18·4	16·4	16·6	18·6	21·5	22·4	23·0
Total selected current liabilities[4]	19·2	18·3	19·0	18·7	20·9	22·5	23·7	24·1

[1] Companies in the Department of Industry's survey of company liquidity. The table extends the information given in Table 8 of the article about the survey that was published in *Economic Trends*, No. 253, November 1974 (HMSO).

[2] The figures are the percentage coverage by holdings of the survey companies that reported during the years in question. Neither the holdings of the survey companies nor the holdings of all industrial and commercial companies have been adjusted to allow for changes in coverage during the period.

1975				1976				
1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr	
								Current assets
37·6	39·9	43·9	42·6	36·9	43·7	38·2	44·4	Local authority temporary debt
12·3	..	..	..	..	..	..	..	Deposits with deposit banks
24·5	..	..	..	..	..	..	..	Deposits with other banks
18·4	17·9	18·8	18·3	19·2	18·1	18·8	17·5	Deposits with deposit banks and other banks combined
46·4	56·7	61·7	69·1	68·4	64·9	74·2	79·9	Deposits with finance houses
25·1	..	..	..	..	..	..	..	Deposits with 'other banks' and finance houses combined
20·8	26·7	21·2	31·8	37·3	27·7	26·7	22·2	Negotiable certificates of deposit[3]
5·0	2·6	2·4	2·4	2·2	2·0	2·0	2·8	Deposits with building societies
19·4	19·3	20·0	20·3	20·5	19·3	20·3	19·1	Total selected current assets
								Current liabilities
								Advances and loans from:
23·4	..	..	..	..	..	..	..	Deposit banks[4]
20·8	..	..	..	..	..	..	..	Other banks[4]
22·1	21·4	19·7	18·4	18·1	17·4	16·5	17·3	Total selected current liabilities[4]

[3] Based, for the survey companies, on holdings of both sterling and dollar certificates of deposit and, for all industrial and commercial companies, on holdings of sterling certificates of deposit and identified holdings of dollar certificates of deposit.

[4] Loans from banks with an initial term of more than twelve months were excluded from the survey from the first quarter of 1975.

Public sector debt

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Introduction

The overall level of government indebtedness gets much less attention than most economic statistics – certainly less than net additions to the level of debt in the form of new borrowings. Such attention as is devoted to it tends to be directed towards a particular component of government debt – namely the 'national debt'. This article is intended to set the national debt concept into a broader perspective of the debt of the public sector as a whole and to provide a general description of the available statistics. Statistics of public sector debt are published each year in the *Annual Abstract of Statistics* and an improved presentation of these figures was introduced in last year's Abstract[2]: a second purpose of this article is to explain that presentation and introduce further improvements to the figures. Thirdly, the article shows the relationship between the outstanding debt statistics and the better known central government borrowing requirement (CGBR) and public sector borrowing requirement (PSBR).

In the past, lack of adequate statistics on outstanding levels of debt have sometimes been blamed for the relatively undeveloped state of economic theory on indebtedness, on how a particular debt structure arises and on how it changes. Official estimates of the structure of debt throughout the economy are now being prepared as part of a system of national and sector balance sheets.[3] The figures described in the present article are not a direct component of the balance sheet work as they are constructed using nominal values; the balance sheet estimates are based on market values. However, valuation questions apart, there is obviously much common ground and the two developments have been complementary. Now that improvements in this much neglected area of statistics are in train, both here and in the balance sheet work, it is hoped that development of the corresponding economic theory will proceed, and this in turn will suggest areas where further improvements in the statistics would be desirable.

Economic effects of government debt

There are three main ways in which governments raise money to pay for the expenditure they undertake: they can impose taxes, they can vary their trading surplus or dividend income for example through the pricing policy of public corporations and other trading activities, or they can borrow. Borrowing may take various forms such as issuing stocks, bonds and Treasury bills, accepting deposits within the national savings scheme, or by increases in the fiduciary issue (notes and coin). Striking a balance between these sources of finance is an important tool in the management of aggregate demand in the economy. Whether a government finances its expenditure from taxation, pricing policy or from domestic borrowing makes no difference to the total national wealth defined as total real assets plus net financial claims on overseas although the use to which it applies the money raised may affect wealth. There may of course be different demand effects of the various sources of finance. Borrowing from overseas reduces national wealth except to the extent that it is used to increase real assets or financial claims on overseas, which includes increases in the reserves.

The accumulation of past borrowing net of repayments (or redemptions) represents the total of government debt. This is mainly money that collectively as a nation we owe to ourselves individually. Some of it will represent expenditure incurred on past public consumption, for example the provision of public goods and services or paying for military supplies used in wars, and could be said to be deadweight debt in the sense that the cost of servicing it (that is interest charges and eventually redemption) is not matched by a contribution to national product. Much of it however will have been used to finance capital projects (either directly, or through loans to local authorities, public corporations or companies) which continue to yield a benefit to the community and so in principle the servicing is self-financing. However, in practice it is sometimes difficult and may even be socially undesirable to charge the full cost of servicing the debt to those who reap the benefits from the corresponding real assets. Thus the existence of government debt, like taxation, is a redistributive factor in society. Three distinct groups are affected by this redistribution: those who benefit from the original expenditure (or reduced taxes) that necessitated the creation of the debt, those who pay the servicing costs (directly through increased taxes or indirectly through the reduced capacity for public expenditure), and those who hold the financial claim on government that the debt represents and hence receive interest on it.

When a government borrows abroad there are effects on national income. Initially domestic expenditure may be higher than it would otherwise have been, but in subsequent periods the servicing of this foreign held debt represents a drain on national resources and national income is reduced albeit to a diminishing extent as national resources grow. Furthermore if the debt is contracted in a foreign currency then the drain on domestic resources will be affected by changes in the rate of exchange between the domestic and foreign currency concerned. As the domestic currency is devalued the real costs of foreign currency debt increase, and vice versa. But a fall in the value of the domestic currency will tend to increase the price of imported goods and be accompanied by inflation at home and this will usually be an offsetting factor (in part) to the increased cost of servicing the debt; as prices increase the resources that are needed in real terms to meet an obligation denominated in money terms are reduced, but terms of trade effects need to be taken into account.

In considering the economic effects of government debt it follows that the questions of who holds it, and whether it is sterling or foreign currency debt, are often as important

[1] The author would like to acknowledge with thanks help received from colleagues in HM Treasury, the Bank of England and the Central Statistical Office.

[2] *Annual Abstract of Statistics 1976*, No. 113 Table No. 373; (HMSO, 1976), (Price £7.50).

[3] See D J Reid 'National and Sector Balance Sheets', *Statistical News* No. 35, November 1976, (HMSO), (Price 60p).

as the total amount. Indeed, the total amount of government debt can be a misleading concept since it is affected by the way in which the organs of government are arranged in a country. In many countries local governments and public enterprises are responsible for most of their own finance but in the United Kingdom the central government borrows much of the money needed for the capital expenditure of local authorities and public corporations and lends the money on to them. The total debt of all public authorities then may be considered to include an element of double counting. Again, what is important is not the total but who holds it. For many purposes it is best to ignore the debt of one public body held by another and to concentrate on debt of the consolidated public sector – that is the amount that government as a whole, including public corporations and local authorities, owes to the private sector and to overseas.

Statistics of net new borrowing have been presented in the form of a consolidated public sector borrowing requirement (PSBR) for many years. This is a most useful concept for the United Kingdom, but is not one that many countries have adopted so far, mainly because their central governments do not play so large a part in the financing of the rest of the public sector. The definition of the PSBR at the edges may appear somewhat arbitrary. It is not simply defined as government borrowing, but is net of transactions in certain assets. Thus, the sale of foreign currency from the reserves (which are held in a government account) results in sterling finance for the government and is included with borrowing. The Issue Department of the Bank of England (also included in central government) sometimes, during market operations, may buy commercial bills instead of Treasury bills, and these transactions are regarded as financing the borrowing requirement, rather than increasing it. But purchases of commercial bills other than during market operations, for example, to assist industry or help exports, increase the borrowing requirement.

All assets held by the public sector, apart from debt of other public sector bodies, are excluded from the statistics of outstanding public sector debt. In addition there are differences between the debt statistics and the PSBR in the liabilities covered, and in the valuation of liabilities – outstanding debt is measured at nominal values whereas the PSBR measures the cash value of transactions. For these and other reasons explained later it can be misleading to update outstanding debt figures (which are only constructed as at 31 March each year) by adding on the PSBR for subsequent periods; but, as a rough and ready device to obtain orders of magnitude, such a method does have a place.

A brief history of the national debt

As a digression it is interesting to consider the size and historical pattern of a major component of total public debt, that is the national debt. The term national debt does not, as might be supposed, relate to the debt of the whole central government as defined in the national accounts, but only to the National Loans Fund (NLF) and sometimes, as in the annual articles in the *Bank of England Quarterly Bulletin*[4], to the NLF's sterling liabilities only, but including the sterling government-guaranteed stocks of nationalised industries. The NLF, which was set up in 1968, is the main organ through which money is borrowed by the central government and its liabilities include the great majority of the liabilities of central government. Advantages in using national debt as an indicator of total government debt are that a very long time series is available, it is timely, and, since it includes money raised for on-lending to other public sector bodies, it reflects the main trends. Disadvantages, however, are that it is by no means comprehensive, and it includes official holdings – that is holdings of central government debt held by other central government funds.

The history of the national debt is chronicled in two reports to Parliament by the National Debt Commissioners. *A history of the earlier years of the funded debt from 1694 to 1786* was published[5] on 6 October 1898 and the *Financial Times* the following day observed that 'Consols fell $\frac{3}{16}$ but we do not think the publication of this work can properly be described as the cause of the weakness'. The national debt was started in the reign of William III to finance the wars with France. Prior to that time borrowing mainly took the form of short-term mortgaging of public revenue but this method of finance threatened to become unstable and to imperil the public credit so a method of raising longer-term money was needed. The first device for doing this – the so-called First English Tontine – was something of a lottery so some more recent methods of raising money, such as Premium Bonds introduced by Mr Macmillan, have an early precedent. A sum of £1 million was needed but the tontine only raised a tenth of this; more popular were life annuities which made up the remaining 90 per cent.

By 1786 the national debt had reached £238 million and was causing concern, so an Act of Parliament that year set up the Commissioners for the Reduction of the National Debt and charged them with applying a sinking fund to the reduction of the national debt. The progress of the debt under the Commissioners between 1786 and 1890 is described in the other report[6]. Pitt and Walpole both established sinking funds and various other miscellaneous funds were set up, but money was not appropriated to them as it should have been and the temptation to dip into the funds for purposes other than the reduction of the national debt was not always resisted. Added to this the financial ravages of the Napoleonic Wars left the debt outstanding by 1823 at almost £800 million despite nearly £500 million having been redeemed. Over the years a long list of individual benefactors have tried to make their own contributions to reducing the national debt, from the donation in 1866 by William Pithy Booth of 6s.8d. which was used to cancel stock to the amount of 7s.4d., to the fund set up in 1929 by the first Lord Inchcape which, with accumulated income, stood at over £3½ million on 31 March 1975.

In the nineteenth century there were ups and downs in the debt outstanding but it never went above £840 million and by 1914 had been reduced to £650 million. However, the first World War took its toll and by 1920 the debt stood

[4] The latest is 'Distribution of the national debt at end-March 1976' *Bank of England Quarterly Bulletin* Vol 16, No 4, December 1976.

[5] *A History of the earlier years of the funded debt from 1694 to 1786.* (HMSO 1898), C9010.

[6] *Proceedings of the Commissioners for the Reduction of the National Debt, from 1786 to 31 March 1890.* (HMSO 1891), C6539.

at £7,830 million. The next two decades saw little change but by 1947 it had topped £25,600 million. By 31 March 1976 the national debt was £56,572 million.[7]

Of this total, £13,644 million was held either in central government funds and accounts or by the Bank of England. Sterling held by the Exchange Equalisation Account is loaned to the NLF, as are surpluses of the National Insurance Fund and government departments, even if such surpluses are only temporary. The assets of the Issue Department of the Bank of England are mainly in the form of government debt, and this debt is held as backing for the note issue and its composition is determined by the role of the Issue Department in debt management: it provides the Bank with its main means for dealing in the Treasury bill and gilt edged markets (including the sale of new issues of stock gradually through the 'tap' and the buying-in of stocks nearing maturity). Most of the money invested in ordinary accounts at the National Savings Bank and in ordinary departments at trustee savings banks goes into government debt (which is why these accounts are included as part of central government) and this debt, along with the holdings of the National Insurance Fund and some other minor funds, is administered by the National Debt Commissioners. These then make up the so-called 'official holders'. Their holdings are mostly in the form of Treasury bills, marketable securities (gilts) and ways and means advances.

In view of the size and nature of official holdings, it is more useful for most purposes to look at 'market holdings' of government debt, that is after deducting official holdings, but the definition of debt should be expanded to include the liabilities of other central government funds and accounts, such as NSB and TSB ordinary deposits, the banknote liabilities of the Issue Department and the debt of the Northern Ireland central government. Liabilities of these other funds and accounts to the market amounted to £12,428 million at 31 March 1976. Finally, because the sterling government-guaranteed stocks of nationalised industries are treated like government stocks by the authorities in their market operations, and because investors regard them in the same way, it is expedient to treat these stocks as if they were a direct government liability (with a counterpart claim on public corporations). The addition of these stocks brought total central government market debt up to £55,356 million at 31 March 1976. Market holdings of national debt represented 78 per cent of this total.

Trends in public sector debt

There is a general impression that public debt has increased in recent years and that once more the burden[8] of the debt on future generations has become a live issue. Table 1 shows the composition of public sector debt from 1966 to 1976 and it is clear that in virtually all areas debt has increased in nominal value. For example, in the last 2 years shown (from 31 March 1974 to 31 March 1976), the nominal amount of the national debt has increased by 40 per cent. But figures of this kind are quite misleading: if one is to consider debt in times of rapid inflation it is important to abstract from the nominal value and to consider debt in relation to other economic statistics. Figures for national debt go back much further than for most economic series and give a long term picture of the trend in government indebtedness. Chart 1 shows the national debt as a proportion of gross national product (GNP) over the last 120 years. It is clear from this that the ratio has fallen considerably since the second World War and is not now at a particularly high level viewed historically despite the recent increase. However, we have shown that the national debt is only one part of the picture and it is interesting to compute various other ratios based on the 11 years of data for public sector debt as a whole, these are given in Table 2.

The first is the proportion of public sector debt that is held outside the public sector. Over the period 1966 to 1973 this declined from 76 per cent to 69 per cent. From 1973 to 1976 it has increased again but in 1976, at 72 per cent, it was little higher than in 1970. Thus there has been some tendency (partially reversed in the most recent years) for lending within the public sector to increase faster than net indebtedness of the public sector as a whole.

Debt held outside the public sector is perhaps the most useful measure of public indebtedness and this has almost exactly doubled in nominal terms in the last 10 years. However, as a proportion of GNP it has shown a considerable fall from 110 per cent of GNP in 1966 to 68 per cent in 1976 and has followed the fall in the ratio of national debt to GNP: both are shown in Chart 2. Of this debt, the proportion that is held overseas (which may be considered to give rise to a real burden on domestic resources rather than a redistribution of them) rose and fell over the period 1966–1971 but from 1972 to the present it has been steady at a substantially lower level than in the preceding 6 years. Thus despite recent borrowing from overseas, the proportion of debt held directly by overseas residents has remained quite static. Debt held overseas as a proportion of GNP is also shown in Table 2. However, the proportion of debt denominated in foreign currencies, part of which is held domestically through the banking system, has increased. From 1966 to 1973 it remained fairly constant at about 5 per cent but by 1976 had doubled to 10 per cent. Nevertheless, total foreign currency debt held by banks in the United Kingdom and by overseas is still smaller than sterling debt held by overseas.

Reconciliation of outstanding debt and borrowing statistics

It will help to explain the content of the statistics of public sector debt if we demonstrate the relationship between the change in nominal value of debt outstanding and the better known and conceptually similar statistic of the PSBR. There are delays in certain data becoming available, and other reasons why a reconciliation of these two measures is best done for the financial year 1974/75. Broadly speaking the differences between the PSBR and figures on the definitions used to construct Table 1 are of two kinds: of coverage, and of valuation arising other than from cash transactions.

The change in public sector debt held outside the public sector during 1974/75 was £8,872 million (that is £61,652 *less* £52,780 in Table 1); the PSBR in 1974/75 was £7,955 million Table 3 shows the main differences. Column 1

[7] In the latest estimates available this figure has been revised upwards by £5 million and the national debt at 31 March 1977 is provisionally estimated to have been £63,820 million.

[8] The 'burden' of debt is a complex issue involving its maturity structure, interest rates and future rates of interest and inflation. These questions are outside the scope of this article which concentrates on the size, composition and distribution of debt.

CHART 1

Ratio of national debt to gross national product

Percentage at 31 March of each year

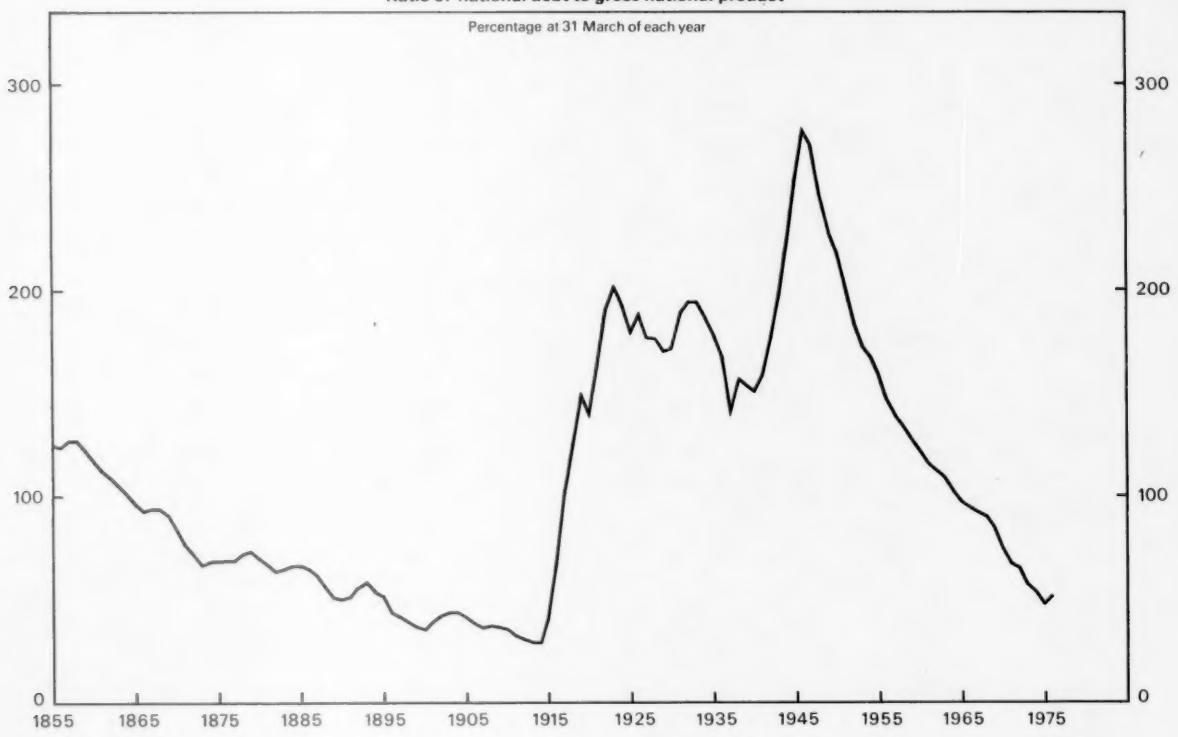
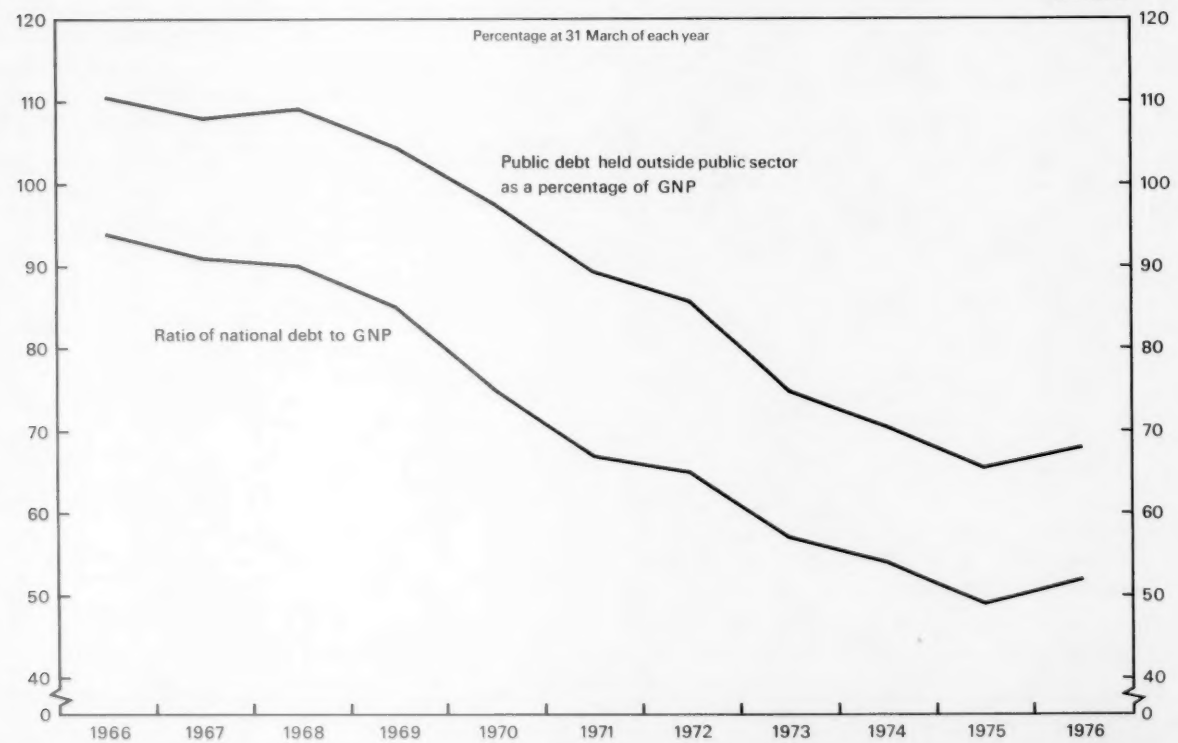


CHART 2

Percentage at 31 March of each year



gives the contribution of transactions in various types of debt by different parts of the public sector to the PSBR. The table is constructed so that by adding across the adjustments in Columns 2 to 10 the change in debt outstanding in nominal values (corresponding to Table 1), for each type of debt, is obtained. Column 10 is a residual and shows the extent to which it has not been possible to reconcile fully the two approaches. This residual arises partly from lack of data to quantify known differences, partly from discrepancies between alternative statistical sources and partly from coverage and timing differences that it has not so far proved possible to identify. Some of the more important identified differences in Columns 2–9 are now briefly described.

In the case of British Government securities, Column 1 measures the cash received from the market on official sales and Column 11 measures the change in nominal value of total stocks outstanding, including official holdings. The first adjustment to be made in the process of reconciliation is to take account of changes in the nominal value of official holdings, Column 6. Differences between cash received from the market and changes in the nominal holdings of the market can then be considered; these differences are attributable to a variety of causes.

First, British Government stocks are frequently issued at a discount (sometimes at a premium) so that the cash received from the market upon issue (as recorded in the PSBR) does not correspond to the increase in the nominal value of stock outstanding in the market. Information about discounts is given in the *Consolidated Fund and National Loans Fund Supplementary Statements* but this shows the discounts on the total issue of any stock not merely that which is taken up by the market.

Secondly, whenever an official body sells government stock from its portfolio to the market, the nominal value of market holdings increases by more or less than the cash received depending upon the market price of the stock at the time of sale. Similarly, when an official body buys stock from the market, the cash paid will not, in general, be equal to the decrease in the nominal value of market holdings. A special example of this occurs when official holders alter their portfolio by switching stocks. In a period of rising interest rates the market value of stocks tends to be lower than their nominal value, since the coupon is lower than prevailing interest rates, and this difference is more pronounced for undated and long-dated stocks than for short-dated ones. Thus if, for reasons of debt management, or for other reasons, official holders switch from long to short-dated stocks the nominal value of official holdings is reduced and of market holdings is increased. When the number of transactions with the market is large, stock switching cannot be differentiated from normal buying and selling transactions but an estimate of the combined effect is entered in Column 3 although this estimate only covers transactions by the National Debt Commissioners (it excludes the Issue Department).

Thirdly, because of the definition used, any transactions between official bodies and the market in the government-guaranteed sterling stocks of the nationalised industries are included in Column 1 but not Column 11. The discrepancies caused fall into Column 10.

Information on discounts on local authority securities and bonds is not available but differences between sources are thought to be a more important element of the discrepancy shown in Column 10.

Column 4 shows valuation changes in debt outstanding. These include changes in the value of debt denominated in foreign currencies resulting from exchange rate fluctuations, and amounts of debt written-off (for example from central government loans to nationalised industries). Column 5 shows adjustments made necessary by the change in sector classification of regional water authorities, area health executives, trust ports and passenger transport executives which were transferred from the local authority to the public corporation sector on 1 April 1974. This switch has led to a reduction in the coverage of debt in Table 1 as figures for the debt of public corporations are incomplete; coverage of certain types of debt is limited to that held by the public sector, overseas sector, banks and certain financial institutions.

An adjustment is shown in Column 8 which records identified coverage differences. These are mainly in the central government sector and include changes in certain holdings of assets which affect CGBR (that is changes in the reserves and in local authority temporary debt and commercial bills held by the Issue Department). The net debt of central government to the Bank of England Banking Department is also excluded from the figures for outstanding government debt in the market. On the other hand, there are a number of liabilities of central government that are excluded from CGBR. Columns 6 and 7 show intra public sector holdings of debt. These columns net out in the consolidated public sector figures shown in the last line of the table.

Statistical sources on public sector debt

Provisional figures of the nominal value of the national debt at 31 March each year are issued in a press notice and published in the May issue of *Financial Statistics*. Final figures and details of the other liabilities of the British Government are published the following December in the *Consolidated Fund and National Loans Fund Supplementary Statement*. Details relating to Northern Ireland are published in the *Financial Statement* and Accounts of the *Government Loans Fund* of Northern Ireland. As already mentioned the December issue of the *Bank of England Quarterly Bulletin* has contained an article each year on the distribution by holder and maturity structure of the national debt, although the coverage has been slightly different; foreign currency debt has been excluded and sterling government-guaranteed stocks of nationalised industries included.

It is hoped to publish Table 1 in the January issue of *Financial Statistics* in future and it will continue to appear in the *Annual Abstract of Statistics* along with various other tables on components of public debt. Information on outstanding debt of local authorities and some debt of public corporations is included in the relevant sections of *Financial Statistics*. Liabilities of the public sector to overseas at the end of each calendar year are published in the June issue of the *Bulletin* and a slightly different presentation in the *United Kingdom Balance of Payments* (Pink Book). Quarterly articles on the balance of payments in *Economic Trends* also contain related statistics.

Conclusion

The revised presentation of public sector debt statistics published in the *Annual Abstract of Statistics 1976* represented the first part of an overhaul of this area of statistics. The main effort last year was to improve the presentation: what remained to be done was to consider changes and refinements of the statistical series used. Most of these have now been made and are incorporated in Table 1 of this article which consequently contains major revisions to most of the series. It is not intended that individual sources and definitions should be enumerated here but in many cases they can be deduced from the reconciliation exercise described above. They will, however, be provided on request. A few areas remain where the coverage might be extended: borrowing by public corporations from the personal and company sectors has already been mentioned as a deficiency; others include holdings of local authority negotiable debt within the public sector (which should be included as an intra public sector item), certain sterling stocks of public corporations other than those guaranteed by the British Government, call money with public corporations, trade credit and holdings by public corporations and local authorities of Northern Ireland government debt and notes and coin. If it proves possible to do so, these deficiencies will be made good and revisions incorporated in future tables. It is hoped that the work already mentioned which is directed towards producing national and sector balance sheets will result in improvements in the statistics for levels of debt outstanding and this may permit the table to become comprehensive in time.

Debt of the public sector: nominal amount outstanding

At 31 March in each year

TABLE 1

	£ million										
	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Central government											
National debt											
Sterling debt	29,545	30,164	31,892	31,731	30,845	31,293	33,961	35,268	38,582	43,588	53,135
Foreign currency debt[1]	1,795	1,822	2,302	2,253	2,234	2,149	1,879	1,888	1,866	2,816	3,437
less official holdings[2,3]	9,340	9,253	9,181	9,263	8 948	9,133	8,759	10,194	11,805	12,802	13,644
equals market holdings	22,000	22,733	25,013	24,721	24,131	24,309	27,081	26,962	28,643	33,602	42,928
Other liabilities:											
Deposits with:											
National Savings Bank: ordinary accounts	1,840	1,730	1,664	1,587	1,452	1,462	1,464	1,518	1,534	1,535	1,547
Trustee savings banks: ordinary departments	1,073	1,057	1,076	1,081	1,073	1,129	1,205	1,330	1,423	1,592	1,737
Accrued interest on national savings certificates and SAYE contracts with DNS and TSBs	623	582	575	573	558	568	540	544	532	547	569
Notes and coin in circulation[4]	3,043	3,159	3,276	3,466	3,680	4,016	4,184	4,626	5,073	5 994	6,613
Market holdings of Northern Ireland Government debt	82	101	106	107	106	116	111	110	116	134	92
Other stocks issued by government funds[5]	192	188	179	171	155	141	141	139	73	71	71
Consolidated fund liability to Post Office Superannuation Fund[6]	—	—	—	—	1,401	1,364	1,324	1,278	1,218	1,121	1,019
Total central government liabilities	28,853	29,550	31,889	31,706	32,556	33,105	36,050	36,507	38,612	44,596	54,576
Government guaranteed stocks of nationalised industries[7]	1,773	1,757	1,755	1,754	1,520	1,512	1,440	1,257	908	908	908
Total held by other sectors	30,626	31,307	33,644	33,460	34,076	34,617	37,490	37,764	39,520	45,504	55,484
of which:											
Local authorities	65	66	59	52	52	46	40	39	32	20	21
Public corporations	79	82	84	84	82	70	67	68	45	32	33
Domestic private sector[8]	24,160	24,855	25,308	24,591	26,455	27,706	30,737	30,912	32,701	37,704	46,965
Overseas	6,322	6,304	8,193	8,733	7,487	6,795	6,646	6,745	6,742	7,748	8,465
Local authorities											
Sterling debt	10,266	11,321	12,451	13,679	14,826	16,157	17,455	19,062	21,331	24,283	26,875
less debt held by other local authorities	266	286	266	268	286	287	298	356	462	541	592
equals debt held outside local authority sector	10,000	11,035	12,185	13,411	14,540	15,870	17,157	18,706	20,869	23,742	26,283
Foreign currency debt[9]	—	—	—	—	6	6	16	51	383	586	705
Total held by other sectors	10,000	11,035	12,185	13,411	14,546	15,876	17,173	18,757	21,252	24,328	26,988
of which:											
Central government	3,866	4,428	4,819	5,385	5,959	6,720	7,574	8,627	9,740	10,762	12,143
Public corporations	20	35	42	41	36	15	34	90	79	113	120
Domestic private sector[8]	5,902	6,396	7,147	7,858	8,372	9,002	9,317	9,615	10,776	12,899	14,164
Overseas	212	176	177	127	179	139	248	425	657	554	561

[1] Total foreign currency debt for each subsector is valued at middle closing spot exchange rates at end-March of each year.
[2] Including sterling stocks of nationalised industries guaranteed by the British government.
[3] Official holdings at 31 March 1976 were made up as follows: Treasury bills – £6,021 million, marketable securities – £6,432 million, ways and means advances – £1,144 million, terminable annuities – £36 million, other (longstanding) debt to the Bank of England Issue Department – £11 million.
[4] Excluding notes and coin held by the Bank of England.
[5] For details see Section 4 of *Consolidated Fund and National Loans Fund 1975-76 Supplementary Statements*.
[6] The Consolidated Fund liability to the Post Office Superannuation Fund is to pay annual sums to be used to pay interest on the debt and to purchase consols at the market price. The figures shown are the 'nominal consol' equivalent of the annual payments.
[7] These stocks are liabilities of public corporations but cannot be distinguished from British Government securities in the sector analysis of holdings.
[8] Holdings by the domestic private sector are obtained as a residual and may contain some unidentified holdings by public sector bodies.

Debt of the public sector: nominal amount outstanding

At 31 March in each year

TABLE 1—*continued*

	£ million										
	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Public corporations											
Sterling debt	7,726	8,698	10,126	9,766	11,118	12,126	12,818	13,425	13,912	15,320	17,388
Foreign currency debt[1,9]	—	—	—	7	76	146	185	296	1,372	2,199	3,375
Total held by other sectors	7,726	8,698	10,126	9,773	11,194	12,272	13,003	13,721	15,284	17,519	20,763
of which:											
Central government	7,360	8,331	9,702	9,326	10,691	11,601	12,407	12,904	13,380	14,772	16,807
Domestic private sector[8]	366	367	424	447	437	548	444	582	1,499	1,623	1,836
Overseas	—	—	—	—	66	123	152	235	405	1,124	2,120
Public sector debt held outside the public sector											
Total	36,962	38,098	41,249	41,756	42,996	44,313	47,544	48,514	52,780	61,652	73,983
Sterling debt held by:											
Domestic private sector	30,428	31,618	32,879	32,889	35,254	37,233	40,445	41,018	43,804	49,727	59,782
Overseas	4,739	4,658	6,068	6,607	5,426	4,779	5,009	5,261	5,355	6,324	6,684
Foreign currency debt held by:											
Domestic private sector	—	—	—	7	10	23	43	91	1,172	2,499	3,055
Overseas	1,795	1,822	2,302	2,253	2,306	2,278	2,037	2,144	2,449	3,102	4,462

[1] Total foreign currency debt for each subsector is valued at middle closing spot exchange rates at end March of each year.

[8] Holdings by the domestic private sector are obtained as a residual and may contain some unidentified holdings by public sector bodies.

[9] Much of the foreign currency debt of local authorities and public corporations was contracted through the exchange cover scheme under which the Treasury guarantees the debt against depreciation of sterling *vis-a-vis* the currency in which the debt is denominated. Thus the market exchange rate valuation used overstates the liability of these authorities in recent years, but not the liability of the public sector as a whole.

Public sector debt ratios

Percentages at 31 March each year

TABLE 2

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Percentage of total debt that is held outside public sector	76·4	74·6	73·7	73·7	71·9	70·6	70·3	69·1	69·4	70·6	72·2
Public debt held outside sector as a percentage of GNP	110·4	107·9	109·2	104·5	97·6	89·4	85·7	74·9	70·5	65·5	68·0
Debt held overseas as a percentage of debt held outside public sector	17·7	17·0	20·3	21·2	18·0	15·9	14·8	15·3	14·8	15·2	15·1
Debt held overseas as a percentage of GNP	19·5	18·4	22·1	22·2	17·6	14·2	12·7	11·4	10·4	10·0	10·2
Foreign currency debt as a percentage of debt held outside public sector	4·9	4·8	5·6	5·5	5·4	5·2	4·5	4·7	6·8	9·0	10·2

Reconciliation of PSBR with change in debt outstanding – 1974/75

TABLE 3

£ million

	Contribution to PSBR	Discount on stocks	Official Portfolio adjustment	Write-off and re-valuation	Changes of sector	Holdings within sector	Holdings by other parts of public sector	Coverage differences	Timing and other identified differences	Unexplained differences	Change in debt outstanding
	1	2	3	4	5	6	7	8	9	10	11
TYPE OF DEBT											
Central government											
CGBR items:											
Tax reserve certificates, etc.	−51	—	—	—	—	—	—	—	—	—	−51
Treasury bills	1,597	—	—	—	—	415	—	—	1	—	2,013
British government securities	2,177	224	78	3	—	483	—	—	—	105	3,070
National savings	137	7	—	—	—	—	—	—	1	−14	131
Northern Ireland government debt	31	—	—	—	—	—	—	—	−9	−4	18
Local authority debt and commercial bills	126	—	—	—	—	—	—	−126	—	—	—
Notes and coin	921	—	—	—	—	—	—	—	—	—	921
Net debt to Banking Department	−544	—	—	—	—	—	—	544	—	—	—
Change in official reserves	−254	—	—	—	—	—	—	254	—	—	—
Overseas official finance – other	1,067	—	—	−26	—	—	—	—	—	—	1,041
Direct borrowing from overseas governments and institutions	−83	—	—	−6	—	—	—	—	−1	—	−90
Non-CGBR items:											
Interest free notes	—	—	—	—	—	—	—	−57	—	—	−57
Annuities	—	—	—	—	—	−54	—	—	—	—	−54
Ways and means advances	—	—	—	—	—	152	—	−5	—	—	147
National savings stamps gift tokens	—	—	—	—	—	—	—	−9	—	—	−9
Other stocks issued by government funds	—	—	—	—	—	—	—	−2	—	—	−2
Liability to Post Office Superannuation fund	—	—	—	—	—	—	—	−97	—	—	−97
Change in total liabilities	5,124	231	78	−29	—	996	—	502	−8	87	6,981
less official holdings	—	—	—	—	—	−996	—	—	—	−1	−997
less other public sector holdings	—	—	—	—	—	—	25	—	—	—	25
Change in holdings by private and overseas sectors	—	—	—	—	—	—	—	—	—	—	6,009

Reconciliation of PSBR with change in debt outstanding – 1974/75

TABLE 3 (*continued*)

£ million

	Contribution to PSBR	Discount on stocks	Official Portfolio adjustment	Write-off and re-valuation	Changes of sector	Holdings within sector	Holdings by other parts of public sector	Coverage differences	Timing and other identified differences	Unexplained differences	Change in debt outstanding
	1	2	3	4	5	6	7	8	9	10	11
Local authorities											
Temporary debt	313	—	—	—	—	108	23	−23	—	—	421
Securities and bonds	53	—	—	—	—	—	—	—	—	150	203
Foreign currency debt	192	—	—	6	—	—	—	—	—	5	203
Other loans and mortgages	1,637	—	—	—	−271	−29	—	—	−7	−1	1,329
Loans by central government		—	—	—	−125	—	1,114	—	10	—	999
Change in total liabilities	2,195	—	—	6	−396	79	1,137	−23	3	154	3,155
less purchases of public sector debt	5	—	—	—	—	—	−12	—	7	—	—
less holdings within sector	—	—	—	—	—	−79	—	—	—	—	−79
less other public sector holdings	—	—	—	—	—	—	−1,171	—	115	—	−1,056
Change in holdings by private and overseas sectors	—	—	—	—	—	—	—	—	—	—	2,020
Public corporations											
Bank loans: sterling	9	—	—	—	47	—	—	—	—	−34	22
Bank loans: foreign currency	145	—	—	−52	—	—	—	—	—	39	132
Loans by superannuation funds	−32	—	—	—	..	—	—	—	—	3	−29
Railway Savings Banks	—	—	—	—	—	—	—	−1	—	—	−1
Other domestic borrowing	−93	—	—	—	—	—	—	+93	—	—	—
Borrowing abroad	623	—	—	63	—	—	—	—	—	33	719
Loans by central government	—	—	—	−205	125	—	1,466	−6	12	—	1,392
Change in total liabilities	652	—	—	−194	172	—	1,466	86	12	41	2,235
less purchases of public sector debt	−21	—	—	—	—	—	21	—	—	—	—
less other public sector holdings	—	—	—	—	—	—	−1,466	—	74	—	−1,392
Change in holdings by private and overseas sectors	—	—	—	—	—	—	—	—	—	—	843
Consolidated public sector	7,955	231	78	−217	−224	—	—	565	203	281	8,872

Round-up: what's new in economic statistics

Department of Employment Gazette

The May issue of the Department of Employment Gazette includes hitherto unpublished information on the relative purchasing power of currencies in the EEC, measured against a similar 'basket' of goods and services in all the common market capitals on a date in 1975. Although currency values in exchange terms are subject to variation and have moved since then, the article demonstrates that the rates do not always reflect the reality of purchasing powers.

Statistical features included this month are unemployment and vacancies by occupation in Great Britain and the United Kingdom; recent movements in indices of basic rates of wages; manpower in the local authorities; and work permits issued in 1976 and earnings in shipbuilding and chemicals.

Employment survey

A new survey was conducted in the United Kingdom in the spring of this year about the kind of jobs people have, unemployment, changes of employment and pensions. Similar surveys are being conducted throughout the rest of the European community and the information produced will help to assess claims for the European Social Fund, whose main objective is the promotion of training in high unemployment areas.

This survey covers a sample of 90,000 households in England and Wales, 10,000 in Scotland, and 5,000 in Northern Ireland. Results are to be published by the end of 1978.

Industrial and commercial companies

An article in the May issue of *Statistical News* 'Statistics on industrial and commercial companies' describes the structure of national accounts estimates and other major statistical series relating to industrial and commercial companies in terms of their availability, coverage, methodology and limitations.

After focusing on the position of industrial and commercial companies in the economy the article outlines the scope of the sector, reviews the available statistics and deals with both the national accounts estimates and those compiled from the annual statements of certain large companies which are issued by Economics and Statistics Division 6A of the Departments of Industry, Trade and Prices and Consumer Protection.

Later sections discuss the sources and methods used to construct the national accounts estimates and developments that are expected to improve the estimates.

New publications

Price index numbers for current cost accounting No. 4 (HMSO 1977) (Price £2.70).

This is the fourth in the series following recommendations by the Sandilands Committee that the Government Statistical Service should publish suitable price indices for use in current cost accounting.

The booklet presents all the industry-specific price indices for fixed assets and stocks, and all the asset-specific price indices which are available at present. It also includes the index of the cost of new construction and the general index of retail prices. In general, figures are now given up to February 1977.

A fifth edition is to be published in August 1977, meanwhile latest figures may be obtained from the CSO.

Index of sources

Data given on page **5** may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings (see Earnings)			
Balance of payments		Central Statistical Office	Financial Statistics; Quarterly articles in Economic Trends
Current balance	5,46,48		
Invisibles	46		
Official reserves	48		
Balance for official financing	48		
Bank advances (see Banking)			
Banking		Bank of England	Financial Statistics
Bank advances	60,62		
Deposits with the banking sector	60		
Eligible liabilities, reserve ratio, special deposits and supplementary deposits	62		
Bank of England's minimum lending rate (see Interest rates)			
Building societies		Central Statistical Office; Building Societies Association	Financial Statistics
Average prices of new dwellings on mortgage (see Housing)			
Net increase in shares and deposits	20		
New commitments for mortgages	20		
Recommended share rate (see Interest rates)			
Car registrations and production (see Motor vehicles)			
CBI Intentions Inquiry (see Fixed investment)			
Coal (see Fuel and power)			
Commercial vehicles, production (see Motor vehicles)			
Companies		Central Statistical Office	Financial Statistics
Appropriation account	58		
Financial companies			
Financial account, net acquisition of financial assets	56		
Saving	56,58		
Gross trading profits	58		
In relation to total domestic income	14		Monthly Digest of Statistics
Income	58		Financial Statistics
Industrial and commercial companies	58		
Financial account, net acquisition of financial assets	56		
Fixed investment	60		
Liquid assets, sources, and uses of funds	60		
Saving	56,58,60		
Security prices and yields (see Interest rates)			
Stock appreciation	58		
Taxes	58		
Consols (see Interest rates)			
Construction industry		Department of the Environment	Housing and Construction Statistics
Index of industrial production (see Industrial production)			
Orders received	18,20,30		
Output	30		
Consumers' expenditure		Central Statistical Office	Monthly Digest of Statistics
Component categories	10		
In relation to personal income	10		
In relation to total final expenditure	14		
Per capita	14		
Current balance (see Balance of payments)			

	Page	*Source*	*Further statistics*
Distributive trades			
Output	28	Central Statistical Office	Monthly Digest of Statistics
(see also Retail sales; stocks)			
Domestic income (see Incomes)			
Dwellings (see Housing)			
Earnings (average)		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
All employees	5,40		
Employees in manufacturing industry	40		
Effective exchange rate of sterling	44	HM Treasury	Financial Statistics
Electricity (see Fuel and power)			
Eligible liabilities (see Banking)			
Employed labour force	34,36	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
All industries and services	34,36		
Index of production industries, manufacturing industries	34		
Energy (see Fuel and power)			
Engineering industries		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Sales and orders: total, home market and export	30		
Eurodollar - 3 month rate (See Interest rate)			
Expenditure (see Total final expenditure)			
Exports			
Of goods		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Unit value index	44		
Value	5,46		
Volume index	44		
Of goods and services in relation to total final expenditure	8	Central Statistical Office	Monthly Digest of Statistics
Of passenger cars, commercial vehicles (see Motor vehicles)			
Orders: engineering industries (see Engineering industries)			
Final expenditure (see Total final expenditure)			
Financial accounts, analysis by sector	56	Central Statistical Office	Financial Statistics
Financial companies (see Companies)			
Fixed investment			
By industrial and commercial companies (see Companies)			
By sector and by type of asset	16	Central Statistical Office	Monthly Digest of Statistics; Trade and Industry
Dwellings (see Housing)			
In relation to total final expenditure	8,14		Monthly Digest of Statistics
Manufacturing industry			
CBI Intentions Inquiry	18	Confederation of British Industry	Industrial Trends Survey
Contractors' orders for private industrial work	18	Department of the Environment	Housing and Construction Statistics
In plant and machinery, new buildings and work	18	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Investment Intentions Inquiry	18		
Fuel and power			
Consumers' expenditure on fuel and light	10	Central Statistical Office	Monthly Digest of Statistics
Industrial production: index for gas, electricity and water industries	26		
Primary fuel input: total, coal and petroleum	24	Department of Energy	Monthly Digest of Statistics; United Kingdom Energy Statistics; Energy Trends
Public supply: gas and electricity	24		
Gas (see Fuel and power)			
Gross domestic fixed capital formation (see Fixed investment)			
Gross domestic product	6	Central Statistical Office	Monthly Digest of Statistics
And components of final expenditure	8		
In relation to output	28		
In relation to stocks	22		
Per capita	14		
Gross national product *per capita*	14	Central Statistical Office	Not published elsewhere

	Page	*Source*	*Further statistics*
Gross trading profits of companies (see Companies)			
Hire purchase debt	12	Department of Industry	Monthly Digest of Statistics Trade and Industry Financial Statistics
Hours worked	36	Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Housing			
Average price of new dwellings mortgages approved	20	Department of the Environment Building Societies Association	Housing and Construction Statistics
Consumers' expenditure on housing	10	Central Statistical Office	Monthly Digest of Statistics
Fixed investment in dwellings	16,20		
Orders received by contractors for new houses	20	Department of the Environment	Monthly Digest of Statistics
Starts and completions	20	Scottish Development Department	Housing and Construction Statistics
Imports			
Of goods		Department of Industry	Monthly Digest of Statistics Trade and Industry
Unit value index	44		
Value	5,46		
Volume index	44		
Of goods and services in relation to total final expenditure	8	Central Statistical Office	Monthly Digest of Statistics
Incomes		Central Statistical Office	Monthly Digest of Statistics
Company income (see Companies)			
Income from employment as a percentage of total domestic income	14		
(see also Wages; Earnings)			
Personal disposable income	10		
Per capita	14		
Personal income before tax	10		
Total domestic income	14		
Industrial and commercial companies (see Companies)			
Industrial production: index	5,26	Central Statistical Office	Monthly Digest of Statistics
By market sector	26		
By selected industries	26		
In relation to output	28		
In relation to stocks (manufacturing industries)	22		
Inter-bank 3-month rate (see Interest rates)			
Interest rates	64	Central Statistical Office	Financial Statistics
Bank of England's minimum lending rate		Bank of England	
Building Societies Association recommended share rate		HM Treasury Building Societies Association	
Consols		*Financial Times*	
Eurodollar - 3 month rate		Institute of Actuaries	
Financial Times index of industrial ordinary shares		Faculty of Actuaries	
Inter-bank 3-month rate			
Local authorities 3-month deposit rate			
London clearing banks base rate and 7 day deposits			
Sterling certificates of deposit			
US $ deposits in London			
Invisibles (see Balance of payments)			
Local authorities 3-month deposit rate (see Interest rates)			
London clearing banks rates (see Interest rates)			
Manufacturing industry (See Banking; Employees in employment; Fixed investment; Hours worked; Industrial production; Output per person employed; Stocks; Wage rates; Wages and salaries)			
Money stock	5,50,52	Bank of England	Financial Statistics
Velocity of circulation	50	Central Statistical Office	

	Page	*Source*	*Further statistics*
Motor vehicles			
Consumers' expenditure on cars and motor-cycles	10	Central Statistical Office	Monthly Digest of Statistics
New car registrations	5,12	Department of the Environment Department of Industry	Monthly Digest of Statistics Trade and Industry
Production of passenger cars and commercial vehicles: total and for export	32	Department of Industry	
National disposable income	6	Central Statistical Office	
Net acquisition of financial assets	56	Central Statistical Office	Financial Statistics
Notes and coin in circulation with the public (see Banking)			
Official reserves (see Balance of payments)			
Orders received			
By construction industry (see Construction)			
By contractors for private industrial work	18	Department of the Environment	Housing and Construction Statistics
By engineering industries (see Engineering)			
Output			
By construction industry (see Construction)			
By engineering industries (see Engineering)			
Index numbers by industry groups	28	Central Statistical Office	Monthly Digest of Statistics
Per person employed	34		
Overseas trade (see Exports; Imports; Visible trade)			
Personal disposable income (see Incomes)			
Personal income before tax (see Incomes)			
Petroleum (see Fuel and power)			
Population			
Estimates *per capita*, income, product and spending	14	Central Statistical Office	Not published elsewhere
Working	36	Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Prices			
Average price of new dwellings on mortgage (see Housing)			
Pensioner price indices	42	Department of Employment	Department of Employment Gazette
Retail prices index	5,42		Monthly Digest of Statistics Department of Employment Gazette
Wholesale prices index; input and output	5,42	Department of Industry	Monthly Digest of Statistics Trade and Industry
World commodity prices index	44	Department of Industry	Trade and Industry
Private sector			
Financial account, net acquisition of financial assets	56	Central Statistical Office	Financial Statistics
Gross fixed investment	14,16		Monthly Digest of Statistics
Housing starts and completions (see Housing)			
Production (see Industrial production; Motor vehicles)			
Profits (see Companies)			
Public authorities' consumption of goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Public sector		Central Statistical Office	Financial Statistics
Borrowing requirement	52,54		
Expenditure	54		
Financial account, net acquisition of financial assets	56		
Fixed investment	14,16		
Housing starts and completions (see Housing)			
Receipts	54		
Purchasing power of the pound	42	Central Statistical Office	Not published elsewhere
Reserve ratio (see Banking)			

	Page	*Source*	*Further statistics*
Retail prices index (see Prices)			
Retail sales			
Volume index numbers	5,12	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Value index numbers	12		
Ratio of distributors' stocks to retail sales	22	Central Statistical Office; Department of Industry	
Regional unemployment rates (see Unemployment)			
Salaries (see Wages and salaries)			
Saving, company (see Companies)			
Savings ratio, personal	10	Central Statistical Office	Monthly Digest of Statistics
Special deposits (see Banking)			
Steel production and consumption	32	Department of Industry	Monthly Digest of Statistics
Sterling certificates of deposit (see Interest rates)			
Sterling effective exchange rate	44	HM Treasury	Financial Statistics
Stock appreciation, company sector (see Companies)			
Stocks			
Changes by industry groups	22	Central Statistical Office	Monthly Digest of Statistics; Trade and Industry
Ratios: total stocks to GDP(e), manufactured stocks to manufacturing production, distributors' stocks to retail sales	22		
Total changes in relation to GDP(e)	8		Monthly Digest of Statistics
Supplementary deposits (see Banking)			
Taxes		Central Statistical Office	Financial Statistics
On capital	54		
On income	54		
On expenditure	54		
Payment of taxes by companies	58		
Terms of trade	44	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Total domestic income (see Incomes)			
Total final expenditure on goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Trade competitiveness index	44	HM Treasury	Not published elsewhere
Unemployment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Regional unemployment rates	38		
Total unemployed; unemployed excluding school-leavers and adult students; including school-leavers	5,36		
Unfilled vacancies	5,36	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Unit values of exports and imports (see Exports; Imports)			
Vacancies notified and remaining unfilled (see Unfilled vacancies)			
Velocity of circulation (see Money stock)			
Visible trade (see also Exports; Imports)	5,44,46	Central Statistical Office; Department of Industry	Monthly Digest of Statistics; Trade and Industry
Wage rates, basic weekly	40	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wages and salaries			
In relation to personal income before tax	10	Central Statistical Office	Monthly Digest of Statistics
Per unit of output	40	Central Statistical Office; Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wholesale prices index (see Prices)			
Working population (see Population)			

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